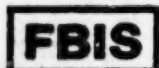


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20 July 1983

Latin America Report

No. 2709



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20 July 1983

LATIN AMERICA REPORT

No. 2709

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OIL IMPORTS UP 11.24 PERCENT IN MAY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jun 83 p 32

[Text] Brasilia--Despite a 2.19 percent increase in the average daily production of domestic petroleum, which went from 318,800 barrels in April to 325,800 barrels in May, there was an 11.24 percent increase from April to May in the need for imported petroleum to meet domestic needs, because of an 8.22 percent increase in petroleum consumption in the same period. The average daily consumption of petroleum went from 955,700 barrels in April to 1,034,300 barrels in May, and the volume of imported petroleum needed for consumption went from an average of 636,900 barrels to 708,500 barrels per day in the same period.

This information was supplied yesterday by advisors to the Ministry of Mines and Energy, who felt that the increases observed in oil consumption and in the volume of imports were natural because, they said, the month of May coincides with the beginning of the agricultural harvest, which drives up consumption of petroleum derivatives. Another factor which may have contributed to the increase in the apparent consumption of petroleum was the formation of speculative reserves of derivatives in May, in light of the insistent reports of price increases for petroleum derivatives, which were borne out on 9 June with the average readjustment of 45 percent on the prices of all derivatives.

The average daily consumption of petroleum verified in the period from January to May was 965,600 barrels, representing a 4.5-percent reduction in relation to the same period last year. Ministry technicians noted, however, that the 8.22-percent rise in petroleum consumption between April and May should not be cause for alarm, because there is a sudden and significant increase in consumption every year at this time, because of the agricultural harvest.

According to the goals set by Minister of Mines and Energy Cesar Cals, the average daily quota of imported petroleum needed for domestic consumption should be 610,000 barrels, as against 725,800 barrels last year, representing a reduction of 19 percent and savings of about \$1.6 billion in foreign exchange.

These savings should be achieved through a reduction of 52 million barrels in imports for the year, as well as a drop in the price per barrel on the international market from \$34.00 to \$29.00.

Minister Cals set a goal for the average daily production of domestic petroleum at 360,000 barrels this year. According to PETROBRAS president Shigeaji Ueki, however, the average daily production will be 340,000 barrels. Ueki agrees with the minister regarding the peak production, which will be reached in December, of 400,000 barrels per day. The daily average for oil imports should reach 500,000 barrels in December, as against 725,800 last year, while average consumption should stand at 950,000 barrels, as against 1,020,500 barrels in 1982.

PETROBRAS MAY RESUME CASH PAYMENT SYSTEM FOR OIL PURCHASES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jun 83 p 54

[Text] Brasilia--PETROBRAS could return to the old system for oil purchases, with payment in 30 days and without interest, as was done until the beginning of this year, because the minidevaluations of the cruzeiro, which occur every week, mean that the prices of petroleum derivatives are always below the value of the dollar, the currency in which foreign purchases of petroleum are paid. The possibility was aired yesterday by advisors of the Ministry of Mines and Energy; they argued that this year's maxidevaluation of the cruzeiro by 30 percent and the minidevaluations caused the loss of 200 billion cruzeiros sustained by PETROBRAS in the first quarter of the year.

In January 1983, PETROBRAS began to purchase petroleum on time, which varied from 30 to 180 days with interest set at 1 percent above the LIBOR (London International Corporation rate). At that time, PETROBRAS president Shigeaki Ueki argued that this system of payment would be advantageous because the increases in the domestic prices of petroleum derivatives would pay for the interest on the petroleum purchases, in addition to enabling PETROBRAS to make use of the money which it would later pay for the imported petroleum. As it happened, the maxidevaluation of the cruzeiro in February went against PETROBRAS' plans and hurt the company.

PETROBRAS' losses were covered by the CNP (National Petroleum Council), which paid for the difference in the dollar exchange rate for the first 5 months of the year. According to the ministry advisors, it happened that this accountable asset increased the deficit in the petroleum account, which went from a little over 300 billion cruzeiros to almost 500 billion cruzeiros. As this deficit will have to be paid without an excessive increase in the prices of petroleum derivatives, PETROBRAS will have to calculate the relation of the cruzeiro devaluation to the interest which it pays for the purchase of petroleum on time, to establish whether or not it will pay to go on purchasing petroleum with interest.

Not including the interest of 1 percent over the LIBOR, PETROBRAS petroleum purchases should come to \$6.5 billion this year, which represents a savings of \$2.1 billion in relation to last year. This estimate takes into account a reduction in the volume of imported petroleum from 752,800 barrels per day in 1982 to 610,000 barrels per day this year, as well as a reduction from \$34.00 to \$29.00 per barrel in the price of petroleum determined by OPEC.

PETROBRAS is not paying interest on petroleum purchases from Mexico, averaging 80,000 barrels per day, because payments to that country are conducted through a system of reciprocal credit; that is, Brazil trades products for petroleum and the accounts are settled every 3 months.

CALS COMMENTS ON ANGRA I OPERATION, ENERGY FOR PARAGUAY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jun 83 p 32

[Text] In Sao Bernardo de Campo, Cesar Cals, minister of mines and energy, announced that the Angra I nuclear plant should go into industrial operation by the end of this year. He explained that Westinghouse technicians are already working at the site. According to the announced time table, the Angra II plant will be operating by 1988, Angra III by 1990 and Iguape II by 1992.

Regarding the work recently initiated by Westinghouse, Cals said he had no information about the cost of the repairs which are being conducted, claiming that "the costs will be discussed later; the important thing is the safety of the plant."

Cals also talked about the "big line" at Itaipu, reporting that the first two 50-cycle machines should go into operation this year, initiating the power supply to Paraguay. The "big line" should be ready by the end of 1984, Cals noted. Regarding the funds for this program, he added that "they are there today, but they might not be there tomorrow, if there is an 'economic package' for the state companies." In any event the minister believes that, if there is a new package, it will affect the area of expenditures and not of investments by the state companies, "simply because there is nothing more to cut."

Alcohol Additive

Brazil should have a specific program for the utilization of additive alcohol in trucks and buses, Minister Cals reported, following a meeting yesterday at the Mercedes-Benz plant in Sao Bernardo do Campo with directors and technicians of that company and also of Saab-Scania. These assembly plants will draft a document on the matter by next week, and it will be sent to the economic ministers and to the president of the CNE (National Energy Commission), to be evaluated at the commission's next meeting.

"I came to learn about the experiments with vegetable oils and alcohol additives for use in diesel-powered vehicles. Although both programs can be used, the alcohol program is economically more advantageous for Brazil, which is why we requested the document with data regarding costs and technical feasibility," Cals said.

BRIEFS

OIL DERIVATIVES, ALCOHOL USE--The average daily consumption of oil derivatives in Brazil, which was 1,010,700 barrels in the period from January to May 1982, declined to 965,800 barrels in the same period this year, representing a 4.5-percent drop, the Ministry of Mines and Energy reported yesterday. In the same 5 months, domestic consumption of hydrated alcohol increased by 72.7 percent, and there was a 62.1 percent increase in consumption of anhydrous alcohol, which is mixed with gasoline. Oil consumption increased in May, however, considering that the daily average for the period from January to April of this year was down 6.7 percent from the same period in 1982. The ministry did not release isolated statistics for consumption in May. Statistics for consumption of petroleum derivatives from January to May indicated a reduction in gasoline consumption (down 12.8 percent), fuel oil (down 18.6 percent) and asphalts (down 32.9 percent). In the same period, diesel oil consumption rose 2.3 percent and consumption of liquefied petroleum gas rose 7.9 percent. Marcio Nunes, ministry advisor for petroleum matters, reported that the increased consumption of anhydrous alcohol was the result of the increase from 12.8 percent to 21.4 percent in the volume of alcohol in the gasoline mixture. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jun 83 p 24] 6362

CS0: 3342/138

POLLS SHOW CENTER PARTIES' STRENGTH, IMPACT OF UNEMPLOYED

Buenos Aires MERCADO in Spanish 9, 16, 23 Jun 83 p 7

[Text] Electoral Barometer

In this measurement, the "center" includes the preferences for conservative, federal and federalist and liberal forces, as well as progressive democracy and democratic socialism. Many citizens will change their voting decision depending on the alliances and differentiations that occur in this broad group. There have been manifestations of the center's strength among the youth, particularly in that youngest group which has been less hurt by the difficult years of the past.

This greater strength of the center among the youth sectors corroborates other evidence of the fact that, among the young population, preferences with a more ideological or doctrinal basis, related to the influence of political loyalties built up over the years, are felt with greater intensity. The lack of a position is also greater among the youth, but there has been a substantial reduction in the group of undecided who are considering voting for a center list among their options.

One can assume that the electorate without a position among the youth is substantially apolitical. Its assumption of a position when it is time to decide on how to vote may bring surprises destined to wield a great influence on the election results

The Profile of the Center

Political preferences:	18-21 years	22-28 years	Over 29 years
Decided for the center	13	8	5
Undecided with an option for the "center"	5	8	13
Decided for other movements	50	45	55
Undecided	32	39	27
	100	100	100

Sample: Metropolitan area, Cordoba, Rosario

Source: Decisions and Development, Political Analysis and Public Opinion Division

Different roles ordinarily played by the political parties may be discerned on the political scene. Some of those roles are unquestionably more conflicting than others, or at least, if they are not so conflicting, they tend to put the leading parties somewhat on the sidelines of the scene.

This latter assertion may be explained by stating that a party may be situated on the sidelines (at at a pole) of the scene when it is not an equally valid alternative for the individuals situated in different movements.

In contrast to this notion of being on the sidelines of the scene which may be claimed regarding a party, one could put forth the notion of a "hinge" party in the movement of the political forces. On the Argentine political scene, the Radical Party tends to play the role of a hinge party as no other force does.

To the sympathizers of the Justicialist Party it is quite clear that the sympathies which the latter also show for the Radical Party (40 percent) exceed the sympathies which they express for the center parties as well (20 percent). To the sympathizers of the center it is equally clear that the sympathies which the latter also show for the Radical Party (47 percent) exceed the sympathies which they express for the Justicialist Party as well (37 percent).

The Radical Party as a hinge party is an equally valid alternative for high percentages of sympathizers of Peronism and sympathizers of the center parties. It is a very favorable position politically, but risky to handle. The Radical sympathizers for their part appear slightly more inclined toward the center than do the Justicialist sympathizers. But this is not the preeminent feature. Those who sympathize with the Radical Party show a lower level of sympathy towards the Justicialist Party than the sympathizers of the center show for the latter.

If these tendencies should become marked in the coming months, there is every indication that the Radical sympathizers will confine their sympathies to the strict boundaries of their political interests.

The Radical Hinge

Levels of sympathy shared among the Radical, Justicialist and center parties' sympathizers

	Sympathize with Radicals also	Sympathize with center parties also
Of 100% of those sympathizing with the Justicialist Party	40%	20%
	Sympathize with Justicialists also	Sympathize with center parties also
Of 100% of those sympathizing with the Radical Party	34%	22%

	Sympathize with Justicialists also	Sympathize with Radicals also
--	---------------------------------------	----------------------------------

Of 100% of those sympathizing with
the center parties

37%

47%

Source: Decisions and Development, Political Analysis and Public Opinion Division

What is the political impact of unemployment? Has the situation of lack of jobs led to substantially different political attitudes? Has it caused an inclination to assume radicalized tendencies, based on the publicized hypothesis that unemployment harbors the germ of a potentially uncontrollable social upheaval? The available data do not support an alarmist idea regarding the effects of unemployment. On the contrary, they tend to endorse an image of the unemployed person that is closer to that of the prototype of the apolitical or politically apathetic person.

In a national sample, including both urban and rural areas, in terms approximately proportionate to the geographical distribution of the country's total population, one observes that the political profile of the unemployed differs subtly from the political profile of the total sample. In this context, "unemployed" are those persons who describe themselves as such, representing 4 percent of the population polled. That statement could be interpreted as an acceptable indicator of the occupational status, because its magnitude bears a relationship to independently learned data recording the present employment levels.

In those data, one notes that, in the unemployed segment, the Justicialist Party has improved its relative position somewhat; while it should also be stressed that there is a substantial decline in the relative position of the Radical Party, and an increase of a certain size in the group of undecided or apolitical persons. If we consider the certain existence of a greater effect from unemployment on the lower classes, wherein Peronism is unquestionably far stronger, we conclude that there has not been any appreciable effect of unemployment favoring that political movement. The decline in the Radical Party's potential assets may be explained by the well-known concentration of the Radical electorate in the middle strata of the population. Despite this, there remains a question that has not yet found a satisfactory answer to account for the considerable difference in the Radical Party's position among the total population and in the unemployed segment.

The large degree of political apathy in that social group might, in all probability, reflect both its status on the sidelines of the occupational and social structure and its orientation directed largely toward the solving of employment problems through personal means instead of transferring their solution to the collective area. Should this interpretation be correct, it would imply that unemployment is a phenomenon with disturbing and even tragic social features, but with potential political consequences that are far removed from being explosive.

The Impact of Unemployment

	Entire Population	Unemployed
Politically decided		
Justicialists	20	28
Radicals	21	4
Center	7	7
Others	3	3
Undecided	20	23
Without a position and apolitical	29	35
	100	100

(equivalent of 4% of the entire sample)

Source: Decisions and Development, Political Analysis and Public Opinion Division

2909

CSO: 3348/504

GOVERNMENT ANNOUNCES ENACTMENT OF ELECTORAL LAW

Buenos Aires LA PRENSA in Spanish 24 Jun 83 pp 1, 4

[Text] Yesterday, the president of the nation approved and promulgated the electoral law, the regulations of which will be implemented in the forthcoming elections to select national deputies, electors of the president and vice president of the nation and electors of senators representing the federal capital.

The law stipulates that those elections will be held using the proportional representation system, "which is entirely in conformance with the provisions on this subject established in the National Constitution," and "constitutes a suitable instrument to enable the electorate's preferences to be reflected in a proper distribution of elective offices."

The Provisions Section

In its provisions section, the law, which bears number 22,838, and which is dated yesterday, stipulates:

Article 1. This law will be applied to the elections for national deputies, electors of the president and vice president of the nation and electors of senators representing the federal capital.

Article 2. The voter will vote for only one official list of candidates, the number of which will be equal to that of the offices to be filled, in addition to the alternates called for in Article 5.

Article 3. The vote count for each election will be carried out according to list, without considering the deletions or substitutions that the voter may have made.

Article 4. The lists which do not obtain a minimum of three percent (3%) of the electoral list for the district will not share in the allocation of offices.

Article 5. The offices to be filled will be assigned in accordance with the order established by each list, and in conformance with the following procedure:

a. The total number of votes received by each list that has attained a minimum of three percent (3%) of the district electoral list will be divided by one (1), two (2), three (3), and so on, until it reaches the total number of offices to be filled.

b. The resulting quotients, regardless of the list from which they are derived, will be put in order from larger to smaller, in a number equal to that of the offices to be filled.

c. If there should be two or more equal quotients, they will be put in order in direct relation to the total number of votes received by the respective lists, and if the latter should obtain an equal number of votes, the order will result from a drawing by lot to be carried out for this purpose by the authorized electoral board.

d. Each list will be assigned as many offices as the number of times its quotients appear in the order indicated in Section b.

Article 6. Those who are elected in accordance with the system adopted in this law will be proclaimed electors of the president and vice president of the nation, national deputies and electors of senators representing the federal capital, as the case may be.

Article 7. The number of electors and of national deputies, office holders and alternates will be established in the notice of elections of each electoral district. For this purpose, the number of alternates stated below will be stipulated:

When two office holders are elected, two alternates.

When three office holders are elected, three alternates.

When four office holders are elected, three alternates.

When five office holders are elected, three alternates.

When six office holders are elected, four alternates.

When seven office holders are elected, four alternates.

When eight office holders are elected, five alternates.

When nine office holders are elected, six alternates.

When 10 office holders are elected, six alternates.

When 11 to 20 office holders are elected, eight alternates.

When 21 or more office holders are elected, 10 alternates.

Article 8. In the event of the death, resignation, dismissal, incompetence or permanent disability of a national deputy, or elector of senator, or elector of the president and vice president of the nation, they will be replaced by those appearing on the list as office holder candidates, according to the established order.

When the latter has been depleted, the vacant offices will be taken by the following alternates, in accordance with the priority established in the respective list. In all instances the replacements will discharge their duties until the end of the term that has been assigned to the office holder.

Article 9. Law 19,862 and Article 159 of Law No 19,945 are repealed.

Article 10. It is in proper form.

The Bases of the Measure

In the pertinent message accompanying the law, originating in the Ministry of Interior, it is stated:

"The envisaged regulations are entirely in conformance with the provisions on this subject established in the National Constitution, and compatible with the system of proportional representation constituting a suitable instrument to enable the electorate's preferences to be reflected in a proper distribution of elective offices. This judgment coincides with the opinion of the majority of national scholars, whose doctrine is inclined toward the constitutionality of the electoral system that has been promoted (cf.: Rodolfo Rivarola, "Hand Lexicon of Civic Instruction and Argentine Constitutional Practice," p 471; Alberto Padilla, "Treatise on the Science of Constitutional Law," Vol 7, p 82; Martin Aberg Cobo, "Proportional Representation," LA NACION, 12 August 1959; Cesar Enrique Romero, "The Saenz Pena Law," CORDOBA, 29 August 1959; Carlos Sanchez Viamonte, "Handbook of Constitutional Law," p 212; and Segundo V. Linares Quintana, "Constitutional Law and Political Institutions," Vol II, p 169).

"It may be noted that the envisaged regulations express, with simplicity, the fundamental political principle which establishes the citizen as the only individual author of electoral decisions, excluding all attempts to influence results, which are reserved solely for the keeper of political sovereignty.

"The electoral legislation is the specific regulatory instrument allowing the political representatives in the associative organs to suitably reflect the options expressed by the desire of the electoral body. Therefore, the envisaged regulations establish the proportional system, a system which most suitably interprets the views expressed by an electorate. This measure is supplemented by that of the voting through closed list and multinominal district.

"Of the different forms that the system of proportionality can assume, the law whose draft I am submitting to Your Excellency has adopted the so-called D'Hont system, evaluated as the one which least fosters fragmentation of the representation. The latter possibility is, in turn, neutralized by the stipulation that the lists which do not attain a minimum of three percent (3%) of the district's electoral list will not share in the allocation of offices.

"The envisaged regulations clearly and precisely stipulate the procedure to which the filling of available offices is to be geared, completely providing for the different alternatives that might appear in this regard. In turn, they also stipulate the number of alternate candidates that will comprise each party list, in accordance with the number of electors and national deputies that are elected to represent each district. Similarly indicated is the procedure in the event of the replacement of a national deputy or an elector of senator or of the president and vice president of the nation.

"This bill which I am submitting to Your Excellency is intended to be a suitable instrument for effective constitutional normalization. For this purpose, the

system of proportionality will ensure the political pluralism germane to a democracy organized around a system of representative parties; a proportionality which does not hamper the formation of majorities and which, in turn, allows for the contribution of the different political groups in the nation, leading them toward paths of dialog and agreement, which is the indispensable basis for a peaceful, fruitful coexistence."

2909

CSO: 3348/504

NEED FOR PARTNERSHIP IN AEROSPACE INDUSTRY UNDERScoreD

Buenos Aires AEROESPACIO in Spanish May-Jun 83 pp 5, 7

[Article published in Spanish and English]

[Text]

This question constitutes a challenge to the aerospace industrial sector which is so important to AEROESPACIO, and we think that the occasion at which said question is asked is most relevant since, if we carefully analyzed our present situation, we would become aware that we will soon reach a dilemma which will demand a conclusive definition. Let's quickly review the aerospace scene in the country so that our reasoning may be fluently followed.

IA-58 Pucará program has reached an advanced stage and it is likely that interesting news may be soon announced on its continuity. In the meantime, the project on the IA-63 advanced basic trainer to be incorporated to FAA as from the second half of 1980s continues being developed according to the plans which were previously announced. It has repeatedly been informed that FAA intends to sensibly make use of the up-dated technical data which is being collected on account of IA-63 development to define requirements, evolution and production of a combat aircraft for our FAA which would be delivered to its units during next decade and which is temporarily known as SAIA 90 (Sistema de Armas Integrado Argentino de la década del 90; 1990s Argentine Integrated Weaponry System). The convenience and need of facing the replacement of our light transport, largely used in our services and in those required by the State, is also being analyzed.

In addition to these definite circumstances, there exist others which, even though they do not have a direct effect on the former, they create an influential surrounding to which no provision may remain unconnected, running otherwise the risk of losing effectiveness. This situation is today still

configured in the shadow of the South Atlantic conflict in which the FAA had a participation which continues being evaluated with surprise and respect. The consequences of the air-sea battle are still fresh as well as their direct effect on what FAA should be from now on till, at least, the closing of this century.

What is taking place in Latin America must also be considered since its conscience was suddenly awoken on account of unexpected political events. Those countries severely understood that in the scene of a global confrontation, they are just pieces which the great power seek to move according to their omnipotent will, ignoring or postponing without any hesitation its just desires. Latin America is now conscious that, basically, it must have its own forces to defend its heritage as well as to preserve its independent political status, which took so much to achieve.

All of these realities with no apparent connection actually have many contact points which will somewhat shape a preliminary response to our concern. Nobody ignores that the political and industrial decisions to be finally adopted are to be closely tied by common, or at least similar, interests and objectives, but there is a point which we want to particularly emphasize. Whatever be the industrial definition to be adopted in the aerospace field, it will inevitably involve the participation of high technology as well as of a productive capacity which must be in accordance with that skill level.

Therefore, coincident or different opinions will either reject, modify or else submit different proposals. All those who undertake a technological venture to design and ma-

manufacture modern aircraft run a dangerous risk on account of imponderables as well as of other circumstances which usually take place in the tortuous process ending at the moment when said aircraft start operating, but it should also be admitted—as facts do confirm this—that those who may freely operate the instruments which will give rise to the achievement of their objectives, attain an enviable independence which is otherwise difficult to get. No doubt, the latter consideration is a very attractive one, because of the benefits therein implied both from the political and strategic viewpoints.

However, wishing to do something does not mean being able to achieve it, and achieving an objective in such an advanced area of technology and industrial capacity is usually a very difficult task. Nevertheless, Argentina is in condition to do important things as regards aerospace production, and it may enjoy a much better situation in the near future if we adopt prudent decisions. No doubt, we can and will do important things, but without seeking to do everything ourselves. Self-sufficiency is not feasible in today's aerospace industry not even in those countries which are more technically developed and thus it would not be wise if we sought to depend only on our own forces.

By no means does this condition create an unacceptable subordination. The way out is that provided by looking for one or more reliable partners to share our interests which will then consolidate the venture, provide it with stability and turn it into the pillar of expansion. The secret of this delicate operation of political and technical strategy lies on the selection of the co-participant(s). In this sense, it usually happens that there exist many who aspire to integrate a techno-commercial partnership and suspiciously tempting offers are neither rare to find. It is at this point where we should exercise our experience and prudence in order to attain a situation in accordance with our national goals and capacities. Adventurous actions in the industrial area usually produce disastrous results.

Previous experience in other programs is extremely useful to propitiate technically acceptable and correct decisions from the financial viewpoint. We are precisely witnessing the apogee of multinational assistance in the undertaking of highly complex and costly programs. These options have reached promising success in the European continent, and between North America and the Old World, but they have already started their way through other oceans. AMX project, shared by Brazil and Italy, is a clear example, presently in full motion; that of CN-235 between Spain and Indonesia is also working well; negotiations between India and West

Germany's Dornier to produce 228-100/200 in Asia is following a similar course and we cannot forget about our IA-63 program which is being fulfilled by FMA and Dornier.

Our country is accumulating important skills thanks to the way it has chosen to get into advanced technology. When IA-63 trainer serial production be fully executed, new projects will have to be materialized to give continuity to what we are presently doing, but to this end we must not delay the definition of what we want to be available during next decade. The period of time elapsed from the moment when the first ideas are formulated till that when the new aircraft starts to be operated is long enough as to vigorously act against unnecessary delays.

In spite of adopting shared solutions, monetary values involved go on being extremely onerous and the improvement of the investment/revenue ratio will be achieved by means of the number of units to be manufactured: a greater quantity of them will imply a more proportionate share of fixed expenses. But countries such as ours do not have an adequate market and it is convenient that, once the requirements of local demand have been met, the new model be exported, trying to go beyond the ideal amortization level. It is at this point when the partnership is of particular importance because of the nature of the required contributions.

It is just logic for a big and internationally known company to have an efficient organization to produce, sell and maintain. In the aerospace field it is not so easy to truly fulfill the meaning of those three verbs, on account of workload, as well as of financial and technical reasons. Those who are qualified to supply modern technology usually possess the structure required to render other services which must be necessarily accompanied by two fundamental elements if said services are to convey a serious image: reliance and international prestige. None of these is attained without continuous and considerable effort throughout a long period of time.

By having such a support, our possibility to go ahead with important projects is considerably greater since there exist excellent possibilities to balance investments and benefits, without discarding profit obtention, which would favor new investments. Every positive financial balance is stimulating, but the technical development level which may be attained if a policy of industrial continuity projected on future is followed, is even more important than that. The aerospace industry is considered an advanced one and all that achieved during the last decades does ratify said sta-

lement. By intelligently planning our action in this area we will manage to have a greater success in a world which is being vertiginously technified.

Argentina can do important things if it analyzes the manner of forming a partnership with the adequate candidate(s). Under any circumstances, IA-63 program will constitute an excellent comparative basis to outline orientations and determinations. Aerospace projects are too costly to be completely absorbed by only one country and therefore it is imperative to share both risks and benefits. The best pillar of a sound enterprise is that of mutual and harmoniously linked interests as well as the reliance which must preside over the task. We believe that FMA is capable of assuming the responsibility of going ahead with a project such as SAIA 90, because it already has the main elements it needs.

THE DIRECTOR

CSO: 3300/16

NATIONALIST FRONT ORGANIZER DEFINES OBJECTIVES, SUPPORTERS

Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Jun 83 p 4

[Article by Eduardo Sgangerla: "Nationalist Front Born in Congress"]

[Text] Curitiba--With the support of about 100 deputies and 15 senators, a Nationalist Front is being created in the National Congress and should be formally launched within the next 15 days. A movement with "popular and democratic" characteristics, the front plans to launch a campaign throughout the country, based on a program of 25 items which are still in the drafting stage, advocating "the integrity of the national territory, a change in the economic model and direct elections at all levels."

In an exclusive interview with FOLHA, one of the principal spokesmen for the movement, Federal Deputy Alencar Furtado (PMDB-PR [Brazilian Democratic Movement Party-Parana]), assured that "no one can become president of the republic, either by indirect or direct vote, if he does not support the program of the Nationalist Front." According to Furtado, the proposal is "also arousing the interest of military sectors."

Among the congressmen supporting the formation of the front, Furtado cited senators Saturnino Braga (PDT-RJ [Democratic Workers Party-Rio de Janeiro]), Severo Gomes (PMDB-Sao Paulo), Fernando Henrique Cardoso (PMDB-Sao Paulo), Marcondes Gadelha (PDS-PB [Social Democratic Party-Paraiba]), Jason Barreto (PMDB-Santa Catarina), Henrique Santilo (PMDB-Goiás), Fabio Lucena (PMDB-Amazonas) and Humberto Lucena (PMDB-Paraiba). In the Chamber of Deputies, Furtado pointed to most of the PMDB deputies, "almost the entire PDT bench, including its leader, Bocaluva Cunha, PTB [Brazilian Labor Party] deputies who opposed the accord with the government, and almost all, if not all, the PT [Workers Party] bench, according to its leader, Ailton Soares.

Furtado is convinced that this parliamentary bloc "will constitute the front line of Brazilian politics" from now on, and will "certainly set the dominant tone in the proceedings of the National Congress." He also believes that "when the campaign takes to the streets and participation increases," the parties which have been indifferent will be "caught up by the action of the movement and pushed along by events."

The deputy denied that the front's immediate objective is to form a new political party, although he did not rule out the possibility as the process progresses. Essentially, the formation of the Nationalist Front, according to Furtado, "is the result of the paths which the country is taking."

Sell-out

"We are experiencing a process of economic and cultural denationalization. There is a 'sell-out' policy which has put the country in foreign hands--the multi-nationals--which are even riding roughshod over the patriotism of the Brazilians. It is an irrefutable fact that the Brazilian territory is occupied by foreign forces. Viewing this as a dependent model for development, the congressmen are drafting a program with markedly nationalist characteristics," Furtado explained.

The congressman sought to give a clear definition of the concept of nationalism, the principal element of the front's program. "We consider our nationalism to be contemporary, that is, with political awareness and a democratic and popular spirit. It is well to clarify this point, because whenever you talk about nationalism, especially in public meetings, people are always reminded of the times of Hitler, Mussolini and other fascists and right-wingers."

According to the Parana deputy, [the nationalist issue] in particular "awakened a wish in some military sectors to participate in the movement." Names? Furtado said the time was not ripe, but he assured that he had received many letters, telegrams and invitations from active and reserve military officers, indicating an interest in discussing the matter.

He has not gotten in touch with them, he said, because "we are in an intramural phase, within the National Congress, to work up the program better, but we will do that later." According to Furtado, "a military officer is a man in whom nationalist sentiments run deep, and for this reason most of them wish to take part in this process. I believe that this involvement will be very valuable, because we truly want all Brazil to be included. We will not discriminate in any way."

Offender

The basic "program-commitment" of the front, according to Furtado, is a revision of the economic model. To this end, it advocates a unilateral moratorium because, in Furtado's opinion, Brazil's agreement with the IMF is a "humiliation the likes of which we have not seen since Cabral's time. The country appears to have been turned into an international offender. It is embarrassing to have to present a quarterly accounting to the IMF."

The front also "intends to fight for state control of Brazilian banks and the nationalization of foreign banks." Citing Canada as an example, Furtado emphasized that "financial institutions are a public service and are not meant to favor the barons, who are enriching themselves on the people's savings."

In addition, Furtado is in favor of the restoration of the state petroleum monopoly and "state control of some strategic areas of the economy," among other items.

To bring this about politically, Furtado specified some stages. The first stage would be to promote an organization at the national level, in the legislative assemblies, city councils, unions and universities, to create a "nationalist political awareness," because, he said, "an enlightened Brazilian can enlighten other Brazilians."

The deputy explained that the "program-commitment" is not a closed book, but "simply a basic proposal to be broadly debated and, if necessary, modified."

In a second phase, the movement plans to bring legislative proposals before Congress, based on the discussions throughout the country. The congressman believes that the candidate for the president of the republic "will have to take up this nationalist banner."

With the launching of the front, he explained, Brazil will be divided between those who defend its interests and the interests of the people, and those who have hired out to foreigners. "I believe that if the candidate is against this nationalist banner, he is against Brazil and cannot win, and if he assumes the presidency by some kind of artifice or by an act of force, he will not be legitimate."

Since the movement is not yet official, Furtado said that no actual contacts had yet been made outside the congress, but he believes that the opposition governors "will be quick to support it." In the specific case of Leonel Brizola, Furtado observed: "Brizola has a nationalist tradition, which Brazil knows. I am certain that he, more than anyone else, will want to honor this tradition."

Furtado guaranteed that no one is "boss" of the movement, but he said, "not to be immodest," that the speech which he delivered at the opening of this legislature, preaching nationalism and presenting some proposals, was the factor that set it off. Later, "several congressmen who agreed with these ideas made themselves available to form a task force to draw up the front."

As an example of this type of movement in history, the deputy cited the Nationalist Parliamentary Front, which ended with the military movement of 1964: "It did not have the time or the conditions to put its program into effect."

Finally, Furtado said the idea is "not the property of just one group, but of all Brazil," because "patriotism comes ahead of any other interest." He concluded: "Although we know that the structures in the country were set up to defend international interests, the patriotism of the Brazilians is more powerful. I have been called the industrialist of optimism."

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CS01 3342/136

PARTIES, BUSINESS SECTOR DECRY LATEST ECONOMIC PACKAGE

PMDB Document

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Jun 83 p 23

[Text] Brasilia--In an official note, the National Executive Committee of the PMDB [Brazilian Democratic Movement Party] condemned the government's economic package, declaring that the measures determined yesterday were economically ineffective and socially inequitable, and warning that "incomprehension and irresponsibility will end by leading the country into more of the terrible and useless sacrifices of the present.

"We will go from package to package, from recession to recession, to the dismantling of most of our productive park, to a social crisis of unprecedented proportions, to the final loss of national sovereignty," adds the document, which was drafted with technical advice from three economists: Maria Conceicao Tavares, Marco Antonio Martins and Joao Manuel Cardoso de Mello.

In its "Pronouncement on the Package," the PMDB declares that, despite everything, Brazil is a viable country, once authoritarianism and its evil child, the economic model, are eliminated," recalling the advice of Teotonio Vilela in his emergency bill offered for debate. The PMDB reaffirmed its struggle for full democratization of the state, "to bring an end to the centralization of decisions, which prevents discussion of the paths the country will take."

According to the PMDB, the results of the package are precisely the opposite of what it proposes; "[it will mean] increased inflation and an increase in the public debt, with disastrous social consequences."

Evaluating the package, the document declares: "The removal of the subsidies will immediately raise prices and will also have an immediate impact on the purchasing power of the wage earner, as well as on production costs for industry. There will be a further loss of real wages, and a new increase in costs for companies. The monetary and exchange correction, through the general indexing of prices, the treasury notes and the financial burden on the public enterprises (about 3 trillion cruzeiros) will, as the final result of the attempt to adjust the deficit, produce an even greater overall deficit in the public sector.

"A single example: the withdrawal of the wheat subsidy, amounting to 200 billion cruzeiros, will result in an explosion of the debt service of about 1 trillion cruzeiros."

According to the note, the announced cut in the expenditures and investments of the public enterprises represents a real overall decline of 30 percent in the purchase of goods and services by the public sector. "This will deepen recession and unemployment."

According to the PMDB, the financial bind and, in particular, the snowballing domestic debt were not caused by the fiscal deficit of the public sector. The 5 trillion-cruzeiro public debt retained by the monetary authorities is fruitless and does not in any way represent a real debt, of the treasury or of the public.

Private investment has been declining, and only the accounting update of fixed assets gives the appearance that private capital is continuing to grow. "All this 'apolitical' action is taken on the pretext of adjusting the balance of payments. Here again is a double ambiguity; neither the promotion of exports or the increasing containment of imports will be accomplished with the disorderly mechanism of inflation and recession. The service on the foreign debt is not paid in cruzeiros and an uncontrolled inflationary recession does not help to create the necessary climate for an orderly restructuring of the foreign debt," the document declares.

The PMDB adds that there is no point in asking for sacrifices from the wage-earners, private and public enterprises or society in general, "when it is the government's internal debt mechanism and the Central Bank's perverted relationship with the open money market and the international banks which are at the financial heart of the matter and the root of the recent acceleration of the inflation."

PT Analysis

Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 Jun 83 p 32

[Text] Sao Paulo--Luis Inacio da Silva ("Lula"), national president of the Workers Party [PT], yesterday released a document drafted by the party's economists, with the final text by Deputy Eduardo Matarazzo Suplicy and Paul Singer. Analyzing the most recent economic package, the document protests the cutbacks in the expenditures of the state companies and proposes "an increase in public expenditures and investments," the opposite of what the government package intends.

"It is urgent to change direction, to promote economic recovery through increased public expenditures and investments, so as to increase the level of employment and living standard of most of the workers. This is possible if the government repudiates the unworkable commitment which it assumed with the IMF and (indirectly) with the international bankers," notes the document, which was released by Lula in the PT regional headquarters in Sao Paulo (a garage in the Bela Vista district).

The PT praises the government measures fixing rates on the "open market" and increasing the proportion of income tax withholding at the source, but it laments that the "package does nothing for unemployed workers, whose numbers should increase." The PT feels that limiting the activity of the state companies is unnecessary; if the government wished to, it could find the funding to maintain their activity and even expand it, through an adequate and just tax reform.

The problem of our foreign debt must be looked at in a different light, as a collective negotiation in which Brazil would join with other debtor nations to discuss their terms for handling it with the governments of the creditor nations," the PT advocates in its document.

Business Reaction

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Jun 83 p 49

[Article by Fatima Turei: 'Ermirio Calls Package Timid and Incomplete']

[Text] Regarding the effectiveness of the government's most recent economic package, which he considers "timid, incomplete and not as equitable as would seem by the hopes it fostered," Antonio Ermirio de Moraes, director-superintendent of the Votorantin group, says his major concern is for the state companies. The major goal announced in the package is the reduction of the expenditures of the state companies, which feed inflation, but it is not clear to Ermirio de Moraes that this goal will be achieved.

"No one has spoken correctly about the reduction of the expenditures of the state companies. What must be done is to reduce management size and retirement pensions and to control expenditures, to close down some companies, to conduct a purge, because there are a great number of companies which only serve as a means for job handouts," he added, claiming that they have simply made across-the-board cuts; he thinks that some state companies "should be expanded, such as ACOMINAS [Minas Gerais Steel Company], because the projects there are already underway and it would be more costly to shut them down than to continue with them."

According to Moraes, the CSN [National Steel Company], COSIPA [Sao Paulo Iron and Steel Company] and USIMINAS [Minas Gerais Iron and Steel Mills, Inc], for example, also require only small adjustments. "It is a matter of putting things in order, to increase their orders and exports." Thus, in his opinion, each ministry should carefully evaluate the situation in its state companies and then make the necessary cuts. Ideally, however, the evaluation would be conducted by the legislative branch, in cooperation with the government. "We are not going to be unfair to the state companies, stirring up a popular revolt against all of them, because some of them act where the private sector is not competent and they are even sound companies. Moreover, any time you generalize, you make mistakes. Hence you must look at it case by case, and the legislative branch could study each case, without any regional bias but thinking of Brazil as a whole."

Within this framework, Antonio de Moraes suggested that certain complementary measures be adopted. In the first place, it should be established that no state company may expand, except within the parameters of international productivity. Then, considering the high interest rates, only state companies which use their own resources for 70 percent of their spending and only 30 percent from third parties should be permitted to operate.

Other measures in the package also troubled the businessman. "Everyone hoped for something more serious, an equitable burden, but some sectors are still protected." In this regard, aside from the state companies, the bankers were not affected, whereas the private sector, "already suffering from the continued recession, and the salaried workers are apparently not being given any relief."

This is clear, according to Moraes, when one analyzes the measure removing the limit on the expansion of credit. He recognizes that the limit was not correct because it reduced the supply, increasing the demand and, hence, the cost of money. However, he does not see how the increased supply will bring down interest rates for the private sector, primarily the small and medium companies.

"The interest rates will not come down and the medium-sized companies will not have access to credit, because the elimination of the ceiling will only help companies connected with the banks. The beneficiaries will be the companies of financial conglomerates," according to the businessman. Hence, he feels that a measure is needed, limiting access to credit by companies belonging to financial groups.

Moreover, he does not see any signs of a decline in inflation, "not only because of the lack of definition in the cutbacks in the expenditures of the state companies but also because of the increased prices of gasoline and fuel oil which, in addition to favoring the PETROBRAS management, will increase the price of transportation and of products."

Regarding the increased interest rates on agricultural and export credit and loans to small and medium companies, Erminio de Moraes does not see any other solution. According to the businessman, who has always criticized the subsidies, the measure is valid. He notes, however, that agriculture should receive some price compensation, "so that everyone will have access to the market, independent of the 'lobby' of the big producers." In this respect, he reiterated the need for government priority to the agricultural sector, as the only way to alleviate the social problems and to create jobs.

It was not just the package that troubled the businessman. Yesterday in his office--where he goes every Saturday, regardless of personal commitments, such as the wedding of one of his sons--Antonio de Moraes was still finding strength, energy and consolation, despite the loss of another of his plants. "The important thing is that we did not lose a single life," he declared, after confirming that it was impossible to save any machinery, the building or even the storehouse at his plant in Piraju, which is under water. "The apocalypse appears to be knocking at the door," he added, concerned with the flood threat at the Sorocabu plant and five others along the Juquia. "But we still have the labor force," he concluded, while lamenting the loss of the truck farms and orchards of small farmers in Sao Paulo.

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POLL REVEALS GROWING PUBLIC PESSIMISM TOWARD ECONOMY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Jun 83 p 37

[Text] Public pessimism about Brazil's economic situation has grown significantly this year compared with 1982 statistics, according to the monthly surveys conducted by the Gallup Public Opinion Institute since 1977. Of the 600 people (men and women of all ages and socioeconomic levels) interviewed by Gallup each month from January to May of this year, 76 percent thought the country's economic situation had worsened in the last 12 months; 16 responded that the situation was the same and only 5 percent saw an improvement.

These figures reflect a growing pessimism, compared with the answers obtained last year (when 62 percent responded that the situation had worsened in the last 12 months, 22 percent saw no change and 14 percent saw an improvement) and are close to the figures obtained in 1981, when the institute recorded the most pessimistic figures: 78 percent of the respondents felt the economic situation was worse, 13 percent saw no change and 8 percent saw an improvement.

According to Gallup, the positive assessment of the nation's economic situation has declined continuously since 1977, when 24 percent of the population saw an improvement and 48 percent felt it had worsened.

Regarding the present moment, only 5 percent of the respondents this year believe the situation is stable or good, whereas 94 percent think it is difficult--figures which exceed those in 1982 (10 percent and 89 percent, respectively) and even the 1981 figures, when 9 percent considered the situation stable or good and 90 percent responded that it was difficult.

Expectations

According to the institute surveys, expectations for the next 12 months have also worsened significantly this year; 50 percent believe the situation will worsen, 18 percent that it will remain the same and 26 percent that it will improve as against the 39 percent, 23 percent and 30 percent, respectively, recorded last year, and the 48 percent, 17 percent and 23 percent recorded in 1981. Gallup observed that in 1977 and 1978 there was a relative balance between those who expected some improvement (38 percent and 36 percent, respectively) and those who predicted that the situation would worsen (31 percent and 33 percent).

Gallup also found that 88 percent of this year's respondents expect economic hardships in the next 12 months and only 10 percent expect prosperity, exceeding the rate of pessimism in 1982 (81 percent) and 1981 (87 percent). In those years, 17 percent and 11 percent, respectively, expected economic prosperity.

Table: Response to Question: "Would you say that the economic situation will improve or worsen in the next 12 months?"

<u>Response</u>	<u>Percentage of Respondents</u>						
	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Improve	38	35	32	22	23	30	26
Stay the same	21	21	17	17	17	23	18
Worsen	31	33	44	54	48	39	50
No opinion	19	11	7	7	12	8	6
Total	100	100	100	100	100	100	100

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DEVELOPMENTS, FUTURE PLANS OF ARMS INDUSTRY

Hamburg DER SPIEGEL in German 20 Jun 83 pp 118-121

[Article: "Upper Middle Class—Domestic Development and Deliberate Joint Projects Have Turned Brazil into the Sixth Biggest Arms Exporter in the World"]

[Text] A blitzkrieg in the sand, a senseless exchange of blows without victory or defeat—that is how the Libyan-Egyptian border conflict in July 1977 could be described.

And yet there was a victor, it turned out—the company Engenheiros Especializados S.A. (Engesa) in Sao Paulo, 10,000 km away. Innocuously calling itself "engineering specialists" the enterprise in the Brazilian industrial metropolis is in fact one of the biggest weapon foundries in the Third World.

In the Libyan-Egyptian combat, attention had been drawn to how deftly the six-wheel armored cars manufactured by Engesa had been employed. The tire-equipped vehicles ran rings around the awkward Soviet caterpillar equipment of the neighboring country and reportedly even routed an Egyptian tank unit.

The encounter signaled a new trend in armored weaponry. In the West, hardly any wheeled armored vehicles have been produced since World War II, but now all the experts were talking about the vehicle with the strange-sounding name of Cascavel (rattlesnake), and buyers, particularly of Arab origin, besieged Engesa.

The company has already sent 1,500 armored cars to the Middle East—to Qatar and Cyprus, but particularly to Iraq. There are also quite a few customers among Brazil's neighbors in South America and Africa, and today Engesa is the biggest manufacturer of armored vehicles outside the Soviet Union—"the only company in the West producing four armored vehicles a day," according to a study by the French government, which is concerned about the loss of African markets. Arms exports by Engesa are estimated to have yielded 300 million dollars last year.

The biggest deal is still pending, say the Engesa managers. They hope to supply China with 2,000 Cascavels and have already tested the engine locally, at 46 degrees Celsius below freezing.

The success of the giant armament firm in Sao Paulo is no isolated case in Brazil. Handguns, ammunition, rockets or airplanes are being supplied to more than 40 countries, with 350 companies employing about 100,000 workers, making Brazil the sixth biggest arms exporter in the world in a period of a few years. The turnover: 1.5 billion dollars.

Until recently the trade in war materiel was shrouded in embarrassed silence. To this day, ammunition is carried as chemicals, and guns as steel pipe--or the figures vanish altogether in the convoluted channels of the Brazilian bureaucracy.

Yet both government and military are already professing with unconcealed pride that their country manufactures and exports arms. Air Force minister Brig Gen Delio Jardim de Mattos, for instance, says that "Brazilian industry is producing in order to sell," and his president, Gen Joao Baptista Figueiredo, confirmed this, saying: "We sell to anyone who wants to buy."

In fact, the economic crisis is such a burden for Brazil, the fifth largest country in the world, that it is only natural for such an expansive branch of industry to be promoted. Officials admit that, after coffee and soya, arms have risen to third place in Brazilian exports, and in a couple of years already they may rise to first place.

There exists today a "national plan for the export of war materiel (PNEMEM)," and an official at "Itamaraty," the Brazilian Foreign Ministry, operates as "coordinator for the export of war materiel."

A big campaign is now supposed to conquer a growing share of the armament market of the Third World, estimated at more than 20 billion dollars. A glossy brochure of Itamaraty entitled "Brazilian Defense Equipment" as of early May is to facilitate the promotional efforts of Brazilian military attaches abroad. "The country is on the right road," says Gen Henrique Bekman commenting on the export policy; "this is one way of paying off foreign debts."

The manufacturers need hardly be afraid of any political restrictions. They may supply anyone they please, generally with tax benefits.

"This vehicle is 100 percent Brazilian," emphasizes the Engesa head of sales, Antonio Vito di Grassi, holding a Cascavel model in his hand; "no one can put any pressure on us."

This very factor is also crucial for the Brazilian military, particularly since it had to witness embargoes last year cutting off the replenishment of arms from Western countries for its Argentine neighbor in the Falklands war against Great Britain.

Brazil has "a dual aim if it is now speeding the expansion of its armament industry, which barely existed only a few years ago," says Army Minister Gen Walter Pires--"to become self-sufficient in arms and technology and to strengthen sales abroad in order to stimulate our industry."

"This is not all that new," however, says Roberto Pereira de Andrade, editor in chief of the journal *TECNOLOGIA E DEFESA*. "As far back as 20 years ago, the military began consciously to promote research in the armament sector." It happened that the surplus materiel which had been purchased cheaply from the United States after World War II became antiquated and spares were hardly available any longer.

Wisely, the Brazilian military, in contrast with other Third World rules, forewent purchasing the most modern weapons available. Instead they first had their antiquated systems overhauled. The firm Bernardini, for example, replaced virtually everything except the chassis of the Walker Bulldog tanks from the time of the Korean war--the engine, the differential and the gun. Slowly Brazilian firms also gained a reputation abroad for being able to build spares of all kinds. Engesa is even helping out with spares for Soviet tanks if Moscow is unable to supply them.

Even after the coup of 1964, the military governments generally have left the manufacturing to private industry. The government was primarily interested in research and technological development.

This gave birth, for instance, to the export hit Cascavel, production of which for the domestic market would not be worthwhile because that market is too small. According to an Israeli officer accustomed to top technology, the vehicle is "upper middle class," but middle class is exactly what is wanted by numerous Third World countries.

"One surely cannot expect African or many Asian countries to have their soldiers complete courses in electronics and engineering just to be able to fire," writes a Brazilian manufacturer in the journal *DEFESA LATINA*.

Similarly successful with simple but effective technology as Engesa is the Avibras company, which builds a multiple-rocket-launcher kind of rocket battery whose biggest caliber of 300 mm has a range of 70 km. They say that the Astros-2 mobile battery is in fact the first weapon of this type to be capable of firing simultaneously from a single fire-control center several rockets of various calibers at various targets.

Buyers, as so often headed by Libya and Iraq, are said to have already ordered 600 million dollars worth. The first Astros-2 delivery is expected in July, with officers in Baghdad having already threatened the Iranian enemy with their new "devastating weapon from Brazil."

But this ambitious armament production is not always content with domestic research. Therefore, wherever possible, Brazil seeks partner for joint projects, finding them above all in Europe. "The United States has those strict resale regulations," states an Engesa manager, explaining the transatlantic trend. The aircraft factory Embraer, for instance, as a first major project, built Italian Aermacchi jet trainers under license, calling them Xavante after an Indian tribe.

Now the plant exports its own twin-engine Bandeirante as a reconnaissance plane all over the world. A larger model, with Argentina as a sure customer for the naval reconnaissance version, is threatening to penetrate the tough U.S. civilian market. The new Tucano turboprop trainer (here too Gadhafi, with 150, has his hand in it) is very promising. Even the British Royal Air Force is considering acquiring it.

The new AMX fighter plane for the Brazilian Air Force already is a newly developed joint project of Aeritalia, Aermacchi and Embraer.

Particularly Spain, which since its democratization has been more conscious of its ties with Latin America, is seeking new business contacts. Against the grand background of King Juan Carlos' visit to Brazil, the Spanish shipbuilder Bazan rented wharves and docks in Brazil in early May to build warships for the Brazilian navy but primarily also for export to third countries.

Finally the Federal Republic has now joined the race as a partner of Brazilian arms manufacturers. Franz Stangl, sales manager of Krauss-Maffei, stated at a seminar of the Brazilian General Staff in April that there was great interest on the part of German industry. And in fact Brazilian army minister Walter Pires considers the Leopard 2 a "dream machine."

There is no intention, however, of manufacturing the German battle tank in Brazil under license. It is too heavy for action in Latin America since, outside the industrial centers, there are hardly any roads or bridges which could stand the weight and the Brazilian railways are not up to transporting the 55-ton German vehicle either.

A lighter "Third World version," however, could become an international success, Engesa managers believe. And it is at this market that they are aiming their new project called T-1, weighing 37 tons, and, as they state, "a development of their own." The engine is already being tested by Scania in Sao Paulo. What is still lacking the Brazilians now want to learn in Germany, and production under license has been arranged for individual parts.

What interests the Brazilian tank builders particularly is technology for fire-control equipment (which could reach Sao Paulo from Siemens via the Philips Works, which has a 40-percent share in the Engesa affiliate Engetronic) and the weight-saving armor which disintegrates the Leopard tank.

It will probably largely remain a question of interest, says Brazil traveler Stangl. "The Brazilians prescribe 85 percent domestic manufacture for their arms production, and that leaves little room for us who offer systems."

For instance, the export of know-how for armor technology is out of the question, emphasizes the Munich manager. "Surely we do not want to develop possible competitors," says Stangl, rejecting the "economically completely uninteresting sale of knowledge."

Moreover, the South Americans almost had already "penetrated a market which --theoretically--was also open to Krauss-Maffei." It had only barely been possible to prevent the purchase of Brazilian combat vehicles for the Australian armed forces.

Stangl concedes, however, that other German suppliers need not be as bereft of hope in looking out for Brazilian tank deals as are the Bavarian Leopard sellers.

Sure enough, a possible supplier, Siemens in Munich, refuses to "either confirm or deny" expectations of deals with Brazil. No agreements have been concluded by the company, however.

But in early May already, Engesa president Jose-Luis Whitaker Ribeiro spent 5 days in the Federal Republic. "It is possible that a contract is being considered," says an expert in Sao Paulo; the only thing he is not sure about is whether the Brazilians will come home only with minutes of negotiations or with completed contracts.

What is certain is that the Brazilians would not be content with an "Argentine solution," for there a tank developed by Thyssen-Henschel is being built-- "a German tank," an Engesa spokesman emphasizes, "which has only received an Argentine coat of paint."

The Brazilians, on the other hand, want German technology for a Brazilian tank.

8790

CSO: 3620/386

COMPANY TO START PRODUCTION OF ARMORED PARTS

PY302148 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jun 83 p 5

[Text] The Forjas Taurus factory, which produces light arms and tools, is planning to expand its production line to include a variety of armored units and bodywork for vehicles [capacetes a veiculos] which will be produced by the new subsidiary Taurus Blindados Ltda., which is scheduled to start activities in 60 days. With an initial capital of 50 million cruzeiros--invested in national equipment and the new factory building--it will be the first Brazilian industrial plant to use plastic fiber and synthetic resin for the production of armored parts.

According to Carlos Murgel, manager of the group, they will use the Kevlar fiber process which uses a composition product for the production of a mesh which covers the part to be protected. According to Murgel, "the great advantage is its weight since it is three times lighter than similar steel meshes and therefore can be used in very special cases such as to protect helicopters and amphibious vehicles." He added that its bullet-proof quality is much greater than the steel mesh and "it has been proven to resist large caliber bullets."

Among the items which the subsidiary is going to produce are military and motorcycle helmets, protective armor and the bodywork for combat vehicles. However, Murgel did not go into detail about the contracts already signed in this field.

CSO: 3342/140

BRIEFS

ANTARCTIC TREATY MEETING—Brazil has been invited to participate as an observer, in the forthcoming meeting of Antarctic Treaty members. According to Brazilian Navy Commander in Chief Admiral Maximiano da Fonseca, this invitation is extremely significant because, through it Brazil will join the group of nations which have a right over the Antarctic. During the past summer this country undertook its first mission to the Antarctic with two ships of its own. Brazilian scientists and seamen had previously participated in expeditions organized by Argentina and Chile. [Text] [PY142358 Buenos Aires Domestic Service in Spanish 1600 GMT 14 Jun 83]

GOLD RESERVES ESTIMATE—Brazil's current gold reserves have been estimated at over 300 tons and could even exceed those of South Africa, Cesar Cals, minister of mines and energy, declared yesterday, based on information obtained from geologists in whom he says he has confidence, during a visit to the Commodities Exchange in Sao Paulo, which will begin to operate a "spot" market in gold by the end of this month. According to the minister, national gold production has been increasing continuously since 1978, when it amounted to 4.3 tons, increasing to 24.6 tons in 1982. According to Cals, 40 tons of gold should be mined this year; 15 tons were produced from January to June. "The figure was achieved," he stressed, "despite the immense rainfall in the Amazon region during the first 6 months." Gold exports this year should generate \$500 million in foreign exchange. According to estimates by the Ministry of Mines and Energy, 52 tons should be extracted in 1984. Cals added that, starting on 15 November 1983, all the gold mining at Serra Pelada will be mechanized. At the end of this month, the Sao Paulo Commodities Exchange will begin to operate a "spot" market in gold, and should sign delivery orders with investors (individuals and legal entities). Seven refineries will supply the gold (in 250-gram bars) to the Commodities Exchange. They are Degusa, Ourinvest, Safra, Goldmine, Cioci, KDG and Mineracao Morro Velho. Along with the bars, the investor will receive a certificate listing the technical specifications and degree of purity of the gold. According to Joaquim Antonio de Almeida Prado, president of the Gold Department of the Commodities Exchange, from December to date the only negotiations were for future delivery (term market). In that period, 24,364 contracts were reached, 10,387 of which were closed during May. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jun 83 p 32] 6362

WEEKLY SCORES DELAY IN TRANSITION TO DEMOCRACY

Santiago QUE PASA in Spanish 19 May 83 pp 6-7

[Text] Activities connected with the so-called "National Protest," staged on 11 May, culminated in events which, because of their seriousness, must make all of us Chileans think deeply. The success or failure of the call to protest issued by labor union sectors are secondary when compared to the pain of the family members and the serious loss represented by two human lives.

This undoubtedly may be an isolated event--and we wish it were--but it can also be the beginning of other similar events which could take on equal or even more serious characteristics.

The military government is prepared to complete a term of 10 years in power and, consequently, to become the longest administration in the country's entire independent existence. Nobody can deny--and we are certain that history will so record--that this has been an extremely achievement and action-oriented administration. This is neither the place nor the moment to come up with an analysis of this type but we do believe that the bottom line turns out to be positive. Now it only suffices to point out that the military posture statement had the virtue of putting an end to the anxious days we experienced during the rule of Marxist President Salvador Allende.

While economic success was a reality which day after day benefitted more Chileans, there was almost no concern at all with creating--in political terms--the supports that would sustain the administration in any possible economic difficulties which might arise and which are always cyclic.

The memory of Popular Unity, first of all, and the economic success thereafter, enabled the administration to chart a slow political course which however was always pursued. More than that, all the many attacks on human rights--which are alien to the way of life and lifestyle of the Chileans--committed by security services that were badly guided in their operations or the lack of a public debate regarding the most important national problems or the intolerance of opposition criticism, caused worry in many people but also brought about a minimum deterioration in the political support which the administration and the president had.

In spite of the above, we can see how, for approximately a year, an abrupt process has begun, going in only one direction, seriously threatening the positive balance achieved so far by the administration. The date of 14 June

1982--the date of devaluation--will have to be recorded as a milestone in the country's history. It triggered a serious crisis of confidence as some of the highest authorities in the administration challenged the move--unnecessarily, in our judgment. This in the end brought about a great political crisis which is becoming more and more obvious each day and which is becoming deeper and deeper, independently of the economic crisis.

The simple political do-nothing attitude, which the administration has assumed, or the latent risk of a hardening or militarization of the regime are causing confusion and the desertion of many of those who until yesterday supported the stewardship of President Augusto Pinochet.

What happened? The insecurity which the crisis caused again brought out such legitimate concerns as are connected with the thought of a secure and democratic future.

For almost 10 years, the administration has been concerned with--in general terms--broadening the area of economic freedoms of individuals without the latter however today aspiring in a gradual form to achieve political freedoms which are currently restricted but which undoubtedly are indispensable in achieving democracy. On the other hand, the president of the republic gave confused signals regarding his desire to move toward that democracy or regarding his desire to move it along at a pace that would be compatible with the tremendous job that remains yet to be done along these lines. The events starting in September 1980 are the most accurate reflection of the above.

The aspirations of those in power go far beyond what the establishment visualizes as being necessary or timely to grant or do. We believe that we are not wrong in maintaining that the Chileans aspire to democracy. Moreover, they want to start to live many of its forms or manifestations immediately. It is not enough to promise a future democracy because that promise, no matter how often repeated, looks less and less convincing each time. Concrete and specific facts are indispensable today. The reaction of the labor unionists to the call to talk at La Moneda is the most recent example that this is so. Otherwise, confidence will continue to deteriorate.

The above is not capricious, nor should it surprise anybody. The military government took power amid the greatest national consensus, perhaps never before achieved, precisely with the clear objective of redeeming the values of freedom. The Popular Unity administration as a matter of fact had seriously threatened and perhaps would irreversibly have burned up the continued existence of the most highly prized values of the Chilean nation and certainly our democracy which is not devoid of serious shortcomings and risky weaknesses.

In September 1980, likewise, the Chileans, who by a majority approved a constitution, voted for a stable democracy and for giving President Augusto Pinochet and the Armed Forces an irrevocable mandate for turning that democracy into reality.

Political concerns have come to the fore again recently.

These concerns do not spring from the fact that the citizens are in a hurry to achieve democracy. On the contrary, they are due to the lack of clarity which at this point in time can be found in the administration's political road.

The frustration of the will of the citizens in our judgment would have serious consequences regarding the country's political future.

First of all, this would mean a postponement--perhaps for all time--of the possibility of achieving a consensus among the democratic forces. In our judgment, that consensus or political agreement is an essential element in the makeup of a stable and peaceful institutional system.

The younger generation who traditionally enthusiastically supported the military regime likewise could be lost once and for all as a result of a do-nothing attitude or the hardening or militarization of the regime. This would happen because of that special aspect of the younger generation that springs from its idealism and which means that the young people join in with everything that signifies renewal and challenge. This is how, in our opinion, the young people understood the process which began on 11 September 1973 and which led to a new institutional system, an effort which seemed gigantic.

On the other hand, the administration's abandonment of its pledge to move on to democracy would tremendously damage the prestige of the country's Armed Forces. This undoubtedly would be so serious that it is not necessary even to explain it further. The military establishment is among the institutions that are most highly prized by each Chilean. But, what is even more important, the military establishment must play the irreplaceable role of being the guarantor and the moral reserve of Chile's future institutional system.

Finally, we believe that, if the regime's democratic inclination is not soon and very clearly defined, the country's economic progress and development will be seriously threatened. Social tension, perhaps accompanied by growing street demonstrations, would become worse. Tensions with the Catholic Church would grow deeper. A serious problem would be created for the country's foreign relations.

All of the above makes us think that the administration is facing a big challenge and has a tremendous responsibility regarding the country's political future. Moreover, repeated statements in recent times from various ministers show that they have a clear perception of the difficulties they are facing. They have seen the need for keeping the administration active, with clear principles, honesty, and iron-clad conduct if it wants to redeem all those many supporters who are today disillusioned or who have lost their motivation.

But that is not enough. In view of the regime's characteristics and the experience of the citizens over almost 10 years, a statement, action, and a direct pledge by President of the Republic Augusto Pinochet are becoming indispensable. So long as this does not happen, there will be no credibility as to the administration's desire to move resolutely toward democracy. All of this may not be much more than a very important and particular viewpoint of one or several members of the administration but it does not look as though it will be the administration's policy as such.

In our judgment, the administration should embark upon its determined move toward democracy, charting a clear and precise course of transition; doing away with book publication censorship; opening the public debate to all political currents, accepting criticism as a fact and as a way to govern better; doing away with administrative punishment of the media; terminating the effectiveness of the temporary Article 24 of the Constitution or restricting its application to extremely serious cases and once and for all resolving the problem of exile.

Finally, it should not spare any effort in achieving the so greatly desired economic revival. There are indications today which permit the economic agents to have greater confidence. But that is not definite; on the contrary, it can be very ephemeral since the economy's most serious problems are still with us; that means a high borrowing level, domestic demand down, and extremely high unemployment levels.

We must realize that the economy must serve a political end. If this is not done, we will certainly not be able to uphold the economic model which is in line with that political goal.

These ideas are not new; they are a reflection of what QUE PASA has represented for 12 years of its existence. Indeed, ever since we started, we fought for the defense of principles which are absolutely vital as far as we are concerned, such as: Liberty, democracy as a form of government, growing participation of the population in the country's wealth, culture, and power; the principles of Christian humanism; free private initiative and private ownership of the means of production; lifting restrictions on foreign trade; the events of 11 September 1973 and loyalty to the homeland, its history, and its Armed Forces.

These principles are and have been our one and only pledge as far as QUE PASA is concerned. This is why we have always stuck to what we called "insufferable independence."

We repeat that today at the risk of being considered disloyal by many. We prefer--and in so doing we feel even more loyal--to tell it like it is and not to slip into underground mumblings which are so badly generalized these days.

The problems are deep and the challenge to the administration to move forward is tremendous. But it is undoubtedly unavoidable, not only because of the constitutional pledge in force but also for the good of Chile and the Chileans. In this task we must be able to count on the will of one man--and without that the job is in serious danger of being frustrated--and that means nothing other than the will of the president of the republic. Chile waits.

5058

CSO: 3348/467

ODEPLAN CITES SPECIAL PROGRAMS IN REPORT ON EMPLOYMENT

Santiago LA NACION in Spanish 14 Jun 83 p 6 A

[Text] The labor force declined 1.9 percent compared to the fourth quarter of 1982 during the first quarter of this year, resulting in a break in the tendency toward stagnation which was observed in 1982.

This was stated in a document prepared by the ODEPLAN (National Planning Office) on the performance of the country's main socioeconomic indicators for the first 3 months of this year.

Employment, the report points out, went up 2.2 percent and this helped accentuate the declining trend in the unemployment rate which we began to observe starting in the last quarter of 1982, reaching 20.1 percent during the February-April quarter of this year.

Special Programs

In an effort to alleviate the unemployment problem, the administration implemented a series of programs among which, by virtue of the number of persons registered, the following stand out: The PEM (Minimum Employment Program) and the POJH (Household Head Program), the latter being implemented at the end of 1982.

There is sufficient background information to estimate that the development of PEM has drawn persons into the labor force and included among the number of employed who normally were inactive, thus working against the program's objective which was to provide temporary employment for the unemployed.

The documents adds that this is due to the fact that, for the purpose of supplementing the incomes of household heads, other members of the family group, who traditionally did not belong to the labor force, are now entering the PEM.

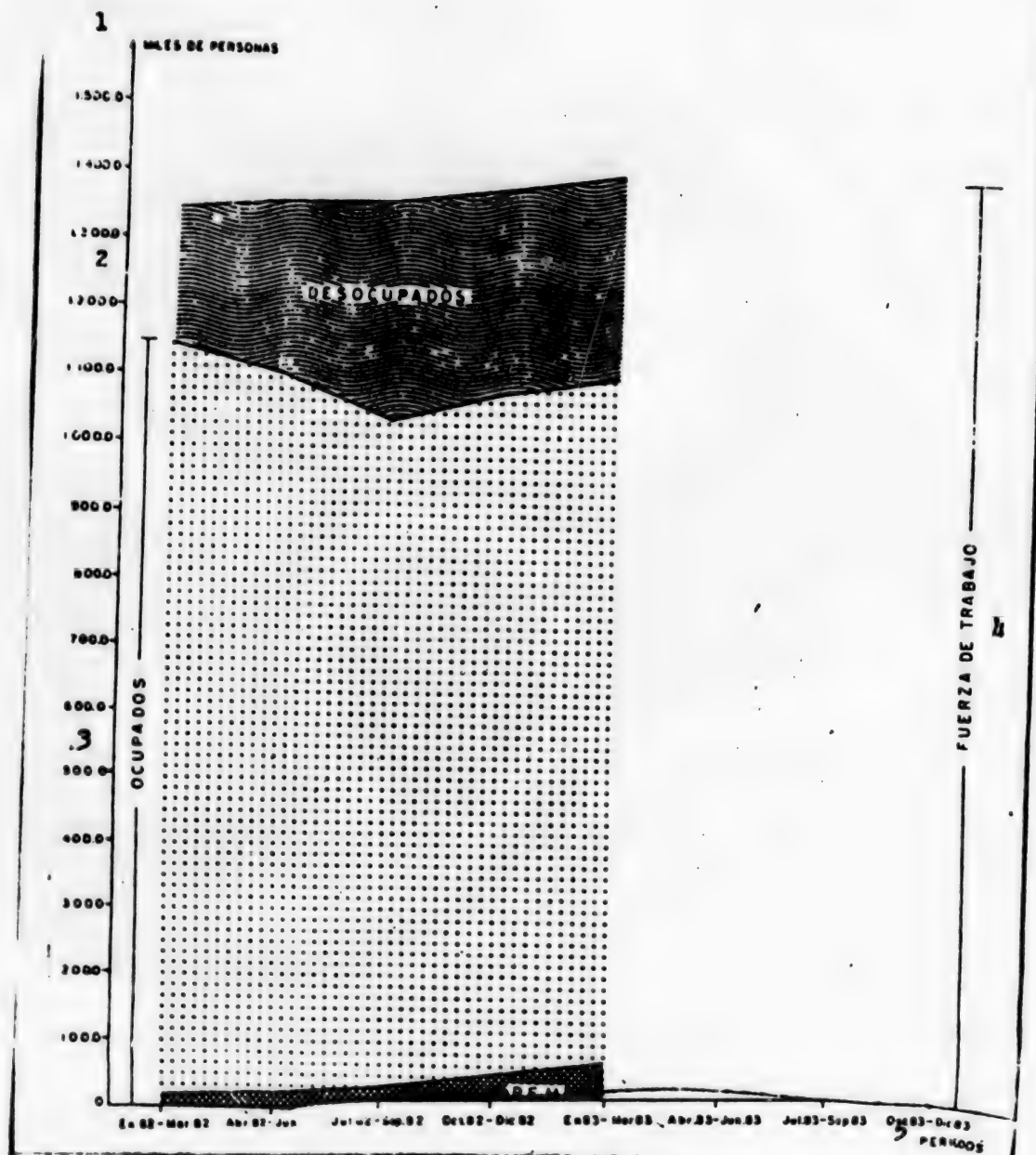
The term "labor force" means all persons who are employed or who expressed their intention to seek a job even if they do not have one.

This distinction does not arise in the case of the POJH because this program, by definition, gives jobs to currently unemployed household heads.

Lower Figure

The survey conducted in this respect by the Economics Department of the University of Chile discovered that, on the average, only 56 percent of those registered with the PEM are actually members of the labor force.

Correcting the labor force statistics in order to eliminate the increase in the labor force due to the PEM and starting with unemployment figures on the assumption that the equivalent of 44 percent of the PEM vacancies were actually used to give jobs to the unemployed and not to inactive persons, the unemployment, which should have materialized in Greater Santiago, should have been represented by the figures illustrated in the graph below, in other words, the figures should have been less than those announced.



Labor Force, Employed and Unemployed, in Greater Santiago (1,000 Persons)
 Key: 1--1,000 Persons; 2--Unemployed; 3--Employed; 4--Labor Force; 5--Periods;
 Em--January; Abr--April; Dic--December. Source: INE [National Institute
 of Statistics].

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 CSO: 3348/467

BRIEFS

NEW ARMY GARRISON COMMANDER—The Santiago Army Garrison has a new commander. The army has appointed Major General Osvaldo Hernandez Pedreros as the new commander of this Santiago Garrison replacing Major General Hector Orozco Sepulveda. This information was released by the army Public Relations Department which also reported that Maj Gen Orozco will continue to hold the position of army comptroller general. [Text] [PY302112 Santiago Domestic Service in Spanish 1730 GMT 30 Jun 83]

DECREASE IN EXPORTS--During the first 4 months of this year, exports dropped 41 percent compared to the same period of time in 1982 according to statistics supplied by the Central Bank which disclose the adjustment process going on in the national economy now. During the period of January-April 1983, Chile's total trade with the rest of the world came to \$2,052.3 million. Exports reached a figure of \$1,251.6 million which also shows a drop of 3.5 [percent] compared to last year. The report by the bank of issue emphasizes that this drop is in keeping with a decline in international prices and that there is no decrease in the export volume as such. Imports during the period referred to totalled \$900.7 million, including the Free Zone. [Text] [Santiago TERCERA DE LA HORA in Spanish 14 June 83 p 4] 5058

CSO: 3348/467

PRC'S 'EXPANSIONISM' IN SOUTHEAST ASIA CRITICIZED

Havana VERDE OLIVO in Spanish 26 May 83 No 21 pp 14-15

[Commentary by Lisanka: "Peking's Expansionism"]

[Text] When Deng Xiaoping ordered Chinese troops to invade Vietnamese territory, first on 17 February 1979 and then 4 years later, he was merely following the example of his predecessors.

Since hazily recorded ancient times, even before our era, the conquest of Vietnam has been one of the priorities of China's rulers. Almost without exception, from the imperial dynasties to Deng Xiaoping, the Vietnamese have been an obstacle to China's expansionist designs.

Mao Zedong himself described the longstanding chimera to the Politburo of the Chinese Community Party in August 1965: "We must at all costs conquer Southeast Asia, including South Vietnam, Thailand, Burma, Malasia and Singapore...A zone as rich in minerals as Southeast Asia justifies the price demanded to conquer it..."

Long before this, as far as back as 1936, Mao had confessed to American journalist Edward Snow that from childhood he had been obsessed with the "loss of Chinese sovereignty" in Indochina, Burma and other neighboring nations.

The history of Chinese-Vietnamese relations has been marked by ambition of Peking's ruling circles to annex Vietnamese territory, expand through the Indochinese Peninsula and become a world superpower. This is the real essence of China's strategy in the region. Everything that it has done and is doing is in pursuit of this objective.

For about 30 years now Peking has been intensifying its maneuvers to this end. While on the one hand it helped the Vietnamese people in the struggles of liberation, first against French colonialism and then against American imperialism, on the other it was trying to take advantage of its position. When this was impossible, it resorted to open treason.

In the 1950's we find Peking trying to keep the nation divided, assuming the right to negotiate its stands at the Geneva Conference, in order

to build itself a buffer zone to the south, and, furthermore, paving the way for future expansionist plans.

Ten years after the victory at Dien Bien Phu, as the Vietnamese people were attempting to achieve reunification and heal the wounds of their war against France, the Gulf of Tonkin "incident," trumped up by the United States, took place.

It was later learned that one of the reasons that the United States attacked Vietnam was that Mao had assured Washington that the Chinese Army would not fight beyond its borders: "We Chinese are very busy with our internal affairs. It would be a crime to fight outside our borders," he told journalist Snow, who had become his personal emissary. This gave the United States the green light for its aggression.

As Alexander Haig told THE CHRISTIAN SCIENCE MONITOR some time later, China's rulers advised the United States not to lose the Vietnam war, not to withdraw from Southeast Asia. He did not specify, however, after how many victims the Peking leadership made this suggestion.

Moreover, China was trying to persuade Hanoi to prolong the conflict, which it helped to do by limiting its military aid and by blocking assistance from the socialist countries, mainly the Soviet Union, which had to pass through Chinese territory.

It seemed as if the fable of the "Three Tigers," which Mao liked so much, were being put into practice by China in this instance. This was confirmed by the remarks that then Premier Chou En-Lai made to an Egyptian leader: "We are pleased to see the United States sending more and more troops to Vietnam, because we know that we have them in our hands...If you want to help the Vietnamese, you should encourage the United States to send more U.S. troops to Vietnam, the more the better."

The definitive liberation of Vietnam and its reunification came as a harsh blow to China's interests in the region. From that point on it sharpened its provocations along the common border and through Kampuchea, which was governed at the time by the Pol Pot-Ieng Sary duo. The sad history of Kampuchea and the genocide perpetrated there by pro-Chinese elements are closely linked to Peking's plans for hegemony.

These plans called for making use of the Hoa, Vietnamese of Chinese origin, to destabilize the country and create a negative image in the eyes of world public opinion.

China normalized relations with the United States in January 1979, thus reaping the fruits of what the Western press initially called "ping-pong diplomacy."

One month later, after then Vice Premier Deng Xiaoping visited the U.S. capital and delighted his hosts with the comment: "Cuba must be

punished, and Vietnam must be taught a lesson," China invaded Vietnam at 14 different spots along the 1,400 kilometers of common border, thus consummating what our commander in chief described as "the most repugnant case of treason to the revolutionary movement in the entire history of mankind."

As we will recall, the cost was high, especially for China, which lost tens of thousands of soldiers and a great deal of military hardware.

Since then the Peking leadership has unceasingly promoted raids into Vietnamese territory and harassed the population along the border, while refusing to negotiate an agreement to settle their differences.

On the contrary, during this entire time it has sided ever more openly with the United States's plans for the region, especially its political objectives in Indochina.

The last summit meeting of the Nonaligned Movement, which was held in New Delhi, left no doubt as to China's intent to use the issue of Kampuchea not only to divide the movement but also to isolate Vietnam.

In spite of the public criticism of the "errors of the left committed by Comrade Mao," particularly during the "Cultural Revolution," as stated in the Central Report of the 12th Congress of the Chinese Communist Party in September 1982, China's new leaders are pursuing the policy advocated by the "great helmsman" vis-a-vis Vietnam.

Its long years of combat experience and unflagging resolve to maintain national sovereignty enabled the Vietnamese Government to repel several weeks ago the latest major Chinese aggression, which was aimed in the same direction as in 1979 but not as massive in terms of troops and hardware.

Just as before, it resorted to the argument of alleged Vietnamese aggression and seemed to have the support of the White House, which days before had accelerated its arms shipments to Thailand.

Even though Chinese-American relations have come to something of a standstill in recent months because of commercial and political disagreements, of which the Taiwan problem seems to be the crux, both parties have voiced the need to establish a relationship based on mutual trust.

As it draws increasingly close to the United States and the capitalist countries, with which it is pursuing what it calls an "open-door" policy to secure access to technology that will allegedly enable it to carry out its "four modernizations," China tries to give the impression of pursuing a balanced foreign policy divorced from the great powers, which it terms, indistinctly and at its convenience, "hegemonic."

With this policy course China is drifting away from the stands that it took during the early years of the people's triumph and that showed it to be a stronghold of the revolutionary movement, when it seemed impossible that the Vietnamese, who had been struggling for more than 2,000 years against the Chinese, would have to continue defending themselves against them.

8743

CSO: 3248/925

LAW ON ORGANIZATION OF STATE CENTRAL ADMINISTRATION

Havana TRABAJADORES in Spanish 30, 31 May 83 p 5

[Decree-Law No 67 Establishing the Organization of the Central State Administration]

[30 May 83, p 5]

[Text] Establishing the general structure and laying the foundations for its operation, repealing laws nos 1323, 1347, and 1275.

The purpose of Decree-Law No 67, dated 19 April 1983, concerning the organization of the Central State Administration, is to spell out the general structure of that administration and to lay the foundations of its organization and operation.

In its Article 2 it points out that the executive and administrative function, as a manifestation of the people's government, is governed by the principles laid down in the Constitution of the Republic and is exercised on the central level through the following bodies and agencies:

- (a) The Council of Ministers [cabinet] and its executive committee;
- (b) The agencies of the State's Central Administration.

The Council of Ministers is the highest executive and administrative body; it constitutes the government of the republic and its powers are those spelled out in Article 96 of the country's constitution. It consists of the head of state and of government, who is its chairman, the first vice chairman, the vice chairmen, the chairman of the Central Planning Board, the other chairmen of the state committees, and the ministers and secretaries of the above-mentioned council.

The chairman, the first vice chairman, and the vice chairmen of the Council of Ministers constitute its executive committee which can decide on questions within the purview of the Council of Ministers when the urgency of the case so requires.

Article 21 of the above-mentioned Decree Law No 67 provides that the secretary-general of the Central Organization of Cuban Trade Unions has the right to attend the meetings of the Council of Ministers and its executive committee.

Classification, Authority, and Appointment of State Central Administration Agencies

Article 22 points out that the agencies of the State Central Administration are subordinated to the Council of Ministers and are categorized as follows:

- (a) State committee, when they are generally responsible for the functional and guiding direction regarding questions involving all activities and all agencies and institutions of the state;
- (b) Ministry, when they are responsible for the direction and administration of one or several branches or sub-branches of the economy or of political, economic, cultural, educational, scientific, social, security, or defense activities;
- (c) Institute, when this involves an agency of the State's Central Administration whose head is not a member of the Council of Ministers.

Article 28 lists the agencies of the State's Central Administration as follows:

State Committees: Central Planning Board; State Technical-Material Supply Committee; State Committee for Economic Collaboration; State Committee on Statistics; State Committee on Finances; State Committee on Standardization; State Committee on Prices; State Committee on Labor and Social Security; Academy of Sciences of Cuba.

Ministries: Ministry of Sugar; Ministry of Agriculture; Ministry of Foreign Trade; Ministry of Domestic Trade; Ministry of Communications; Ministry of Construction; Ministry of Culture; Ministry of Education; Ministry of Higher Education; Ministry of the Revolutionary Armed Forces; Ministry of the Food Industry; Ministry of the Basic Industry; Ministry of the Light Industry; Ministry of the Fishing Industry; Ministry of the Steel and Machine-Building Industry; Ministry of Interior; Ministry of Justice; Ministry of Foreign Relations; Ministry of Public Health; Ministry of Transportation.

Institutes: Cuban Institute of Domestic Demand, Research and Guidance; Cuban Radio and Television Institute; National Institutes of Sports, Physical Education, and Recreation; National Institute of Automated and Computer Technology Systems; National Institute of Tourism.

The management of each of the State Central Administration agencies is appointed by the National Assembly of the People's Government or, as the case may be, by the Council of State and for this purpose it shall appoint a chairman or minister as the case may be. The chairman [president] of an agency who is also a member of the cabinet shall be identified as minister-chairman.

Among the duties, powers, and functions commonly shared by the State Central Administration agencies, as listed by Article 52 of Decree-Law 67, we have the following:

Comply with the provisions of the Constitution of the Republic, the laws, the decree-laws, the decrees, and other provisions of the National Assembly of the People's Government, the Council of State, and the Council of Ministers, and assuring compliance with legislation in force and government discipline in enterprises and departments of the agency.

In accordance with the provisions of the Single Plan for Economic-Social Development, be responsible for the development of enterprises, units, or activities under its charge, scientific-technical progress, the technical level and quality of its production or activity, within the possibilities of the human, material, and financial resources available for that; implementing its authority regarding the increase in the output, the constant rise in labor productivity, the decline in consumption norms; the increase in the efficiency and quality of production or services through the better utilization of labor, material, and financial resources; to the extent responsible, promoting the development of production programs which would increase or create new exportable assets or which would replace imports.

[31 May 83, p 5] Decree-Law No 67, dated 19 April 1983, concerning the organization of the State Central Administration, in Article 52 spells out the duties, powers, and functions commonly shared by these bodies, among which we have the following:

Guaranteeing the development of democratic centralism in the management of the agency, on the basis of a combination of its collective character and single command; with precision, establishing those responsible for each assigned front and those responsible for accomplishment of the tasks assigned; creating conditions for the manifestation of the initiative and active participation of the workers and their mass and social organizations in the discussion and control of economy plans, in the perfection of production, in work, management, and organization, and in the elimination of shortcomings in the activities of the agency, its enterprises and departments;

Supporting the Central Organization of Cuban Trade Unions and the labor unions in organizing socialist competition, providing care and support for the social and professional organizations dealing with related activities, assisting in their development and in the attainment of their objectives;

With the national labor unions, work out the general outlines that will serve as methodological foundation for the coordination of collective labor commitments on the enterprise level;

Devoting attention to and providing pertinent responses--within a period of 60 days--to the complaints and petitions which may be directed to them by the citizens, making every effort correctly to resolve the issues raised and adopting measures to correct the shortcomings that were pointed out;

Supporting activities dealing with civil defense and with mobilization for the defense of the fatherland and of the principles of the socialist revolution;

Creating hygienic and work safety conditions; assuming responsibility for the protection of the environment and for the efficient use of natural resources and taking measures along these lines, including the pertinent enterprises and departments.

These are some of the duties, powers, and functions commonly shared by the state agencies.

From Article 54 to Article 87, the text of the decree-law is devoted to a listing of the main powers and functions of each agency.

The first special provision establishes state arbitration as a system of special state central administrative bodies. In carrying out their arbitration function, arbiters shall be subordinated only to the law.

According to the second special provision, the National Bank of Cuba, created by Law No 13 of 1948, acts as a Central State Bank, has organizational autonomy, has independent legal status and its own assets. The effectiveness of Law No 1298 of 1975 is hereby ratified; this law regulates the functions to be performed by the bank, except for those which said law assigned to it as the nation's financing agency, which were transferred to the State Finance Committee when the latter was created in 1976.

According to the provisions of the fourth special provision, the customs service is a system of bodies directly subordinated to the cabinet, charged with directing, executing, and checking on the application of state and government policy through the customs duty system, constituting a part of the state administration and being made up of the General Customs Office of the Republic and other elements that may be subordinated to it.

The single temporary provision notes that, until such time as the cabinet approves the charter of the National Bank of Cuba, the latter shall retain its current organization structure as well as its organizational and internal functional standards.

Final Provisions

The first final provision declares to be terminated, as a State Central Administrative Agency, the Cuban Institute of Hydrography whose activities are hereby transferred to the Ministry of the Revolutionary Armed Forces.

The second final provision orders the termination of the General Customs Directorate whose powers and functions are transferred to the General Customs of the Republic.

The seventh final provision confirms the effectiveness of Law No 1191 of 1966 in that it creates and assigns export functions and activities to the Cuban

Tobacco Enterprise, identifiable by the abbreviation CUBATABACO, which is assigned to the Ministry of Foreign Trade.

This Decree-Law No 67, which took effect as of 19 April, repeals the following laws: 1323 of 1976, 1247 of 1973, and 1275 of 1974, and any other legal and regulatory provisions that conflict with compliance with the provisions contained in it.

5058

CSO: 3248/964

NEW REGULATIONS FOR MARGINAL PRODUCTION ESTABLISHED

Havana TRABAJADORES in Spanish 23 May 83 p 5

[Resolution No 1341--JUCEPLAN [Central Planning Board]--Establishing New Regulations for Marginal Production]

[Text] Distribution and sales shall be handled by the production enterprises in accordance with their economic convenience. The profit derived from marginal production shall be available to the enterprises and 55 percent of the profit shall be used to provide incentives for workers.

Resolution No 1341, issued by the chairman of the Central Planning Board, establishing a new system of material incentives for marginal production with the objective of contributing to the more efficient use of economic resources and satisfying the needs of the population.

In its first paragraph, Resolution No 1341 points out that remnants and waste are obtained from the main and secondary production of the enterprises which could be used as raw materials for the processing of articles with a low rate of raw material and new material utilization. These processed articles are called marginal production.

For the purpose of determining up to what percentage raw materials and new materials must be used in a production program before it can be considered to be marginal, there is established herewith a limit of 30 percent of these raw materials and new materials compared to the total value of the material consumed for the article produced.

In special cases and following approval by JUCEPLAN, the State's Central Administrative agencies or the local people's government bodies may authorize a higher percentage of raw materials and new materials adding up to a total value of the material consumed for certain marginal production programs but this limit may in no case exceed 50 percent.

To carry out marginal production programs, it shall also be possible to use the inventories of products declared inactive because they are defective in accordance with provisions on these inventories as spelled out in Article 25 of Decree No 68, Executive Committee, Council of Ministers.

For the processing of marginal production items it shall also be possible to use products which are in inactive inventories because they are surplus or no longer in use, provided that the provisions on inactive inventories now in force are complied with.

When these inventories are used for marginal production programs, they shall be treated in the same way as the remnants or waste or the inventories of products which are inactive because they are defective.

The fifth paragraph states that, to be able to calculate the total value of the material consumed for the goods produced, it shall be necessary for each enterprise, where marginal products are processed, to record and estimate the values of the remnants and waste and said value shall be deducted [deducted] from the cost of the main or secondary output from which they were obtained.

In cases where, by virtue of the provisions in force or because of the plan's directives and indicators, the enterprise may have to sell the remnants and waste from its output to another enterprise or to a budgeted unit, it may retain marginal output based on them only after it has complied with the provisions of the supply contracts that were awarded.

State enterprises which traditionally have been partly or completely turning over the remnants or waste from their respective production programs to the local industrial establishments shall not be able to engage in any marginal production to the detriment of the commitments undertaken with said local industry establishments.

The seventh paragraph states that the raw materials and new materials which are intended for marginal production, according to the provisions of the second paragraph, shall be taken from the in-house material resources planned by the enterprise, provided this does not imply the allocation of the quantity and determination of the quality of the production effort planned or that contracts are worked out directly with the corresponding supplying enterprises.

Under the provisions of the above paragraph, resources may be diverted from planned production toward marginal production only when this does not interfere with the accomplishment of the enterprise's economic plan and, in particular, if there is no increase in the consumption standards and if there is no decrease in the stocks below the inventory standards.

Regardless of the provisions of these two previous paragraphs, the ninth paragraph states that the recording stations may assign to consuming agencies-- earmarked for marginal production--raw materials and new materials from among those which are available and which are not committed to the national economy plan or those which, although they were committed, were again released by the agencies or enterprises to which they had originally been assigned.

The tenth paragraph also authorizes marginal production in a cooperative form between various enterprises which may or may not be subordinated to one and the same body or agency.

The list of products to be processed through marginal production shall not be an item on the balance sheet and distribution and sales shall be handled by the production enterprises according to their economic convenience.

The prices for these production programs shall be fixed according to the provisions issued for this purpose by the State Price Committee.

The principles governing the organization of work and the wages that are to be paid for this type of production effort shall be governed by the CETSS [State Committee for Labor and Social Security]. If it should be necessary to hire workers, this shall be done in the same way as for the main production program and the legal regulations and provisions in force on this matter shall be complied with.

The 14th paragraph states that marginal production is based on the principle of in-house financing which is why the enterprise is obligated at least to cover the expenses which it incurs in these production efforts by using its own earned income.

The profit that may be obtained through marginal production shall remain available to the enterprises and therefore shall not be considered for purposes of the obligations of these enterprises toward the budget, according to the provisions of the State Finance Committee.

The 16th paragraph states that earnings obtained from marginal production shall be considered in the following form:

From the total income obtained, it shall be necessary to deduct the expenses which the enterprise may have incurred to obtain the marginal output.

The difference between the income and the expenses shall be considered the profit deriving from these production efforts, of which 55 percent shall be used to provide incentives for the workers, both in individual and team fashion.

For this purpose, the above-mentioned 55 percent shall be earmarked to the extent of 45 percent for individual material rewards to the workers and 10 percent for incentives of a social-cultural nature.

The remaining 45 percent of the profit shall be put into the operating account of the enterprise to be used as a part of the financing necessary for the normal development of these production programs.

The 18th paragraph provides that the portion of the profit earmarked for direct material rewards shall be distributed quarterly among all worker job categories directly or indirectly involved in the achievement of this output, regardless of whether they are in teams, workshops, or plants or whether they are a part of the administrative or management personnel force of the enterprise.

In distributing this part of the profit, there is an indispensable requirement, the enterprise must actually have achieved the output or must have attained the earnings which make it possible to finance those awards whose distribution shall be made in accordance with the regulations to be drafted for this purpose.

The 19th paragraph means that the provisions in the preceding paragraphs shall apply regardless of the incentives that may be allocated for these production programs in case the items are exported.

With respect to the portion of the profit earmarked for social-cultural and housing construction activities, it shall be added to the fund by that same name existing within the enterprise if this involves an enterprise that is a part of the material incentive fund formation mechanism or it shall be created if this is an enterprise that is not a part of that mechanism.

The processing of marginal production as well as the utilization of the incentive system provided for in this resolution shall be an autonomous option of the management of the enterprises involved.

The agency or body to which the enterprise is subordinated--the 22nd paragraph explains--may deprive that enterprise of the right to use the profit obtained for marginal production, as established in the 15th paragraph, if it has been determined through an audit or an inspection that this output was achieved to the detriment of the planned output or through violation of the provisions on marginal production. If this decision is made in this fashion, the corresponding profit shall be switched to the government budget.

The final provisions point out that the points made in this resolution do not apply to incomes generated from the main production effort of industrial establishments whose production programs are carried out on the basis of factory remnants or waste. Nor shall these provisions apply to systems established to provide incentives for the recycling of raw materials.

The provisions of this resolution shall be applied to the services that may be rendered in a marginal manner.

Resolution No 1341 shall take effect as of the year 1983 and repeals Resolutions Nos 1121, 1126, and 1167 of 1982, all of which were issued by the chairman of JUCEPLAN concerning marginal production.

5058

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TANKS PRACTICE FIRING AGAINST NAVAL TARGETS

Havana VERDE OLIVO in Spanish No 20, 19 May 83 pp 30-33

[Article by Miguel Febles Hernandez]

[Text] Lieutenant Maximiliano's name was already familiar to me. When they introduced me to him that afternoon, we both quickly recalled the days we spent together during the maneuver marking the 130th anniversary of the birth of Jose Marti. It was on that occasion that he and his small unit, deploying rapidly and with teamwork, did an outstanding job and won well-deserved recognition from commanders and comrades in arms.

Now, a few months after that pleasant encounter, we were meeting again in the field. His face, blackened by the dirt and the strong coastal sun, could not conceal the emotion he felt in knowing that the exercise that he was preparing to conduct with his subordinates would be witnessed by a group of superior command officers.

The task at hand was not at all easy: firing at naval targets. The success of the exercise depended on accurate firing, the rapid deployment of the small unit to the battle line, precise maneuvering by each tank and teamwork among all the members of the crews.

Lt Maximiliano Betancourt Ricardo clearly realized all this and had been training for some days now with his personnel to achieve their goal. He could not overlook a single detail. His sergeants and soldiers, battle-hardened by their training, would not disappoint him either. Of that he was more than certain.

Watching him move from side to side, telling each combatant what he had to do at every moment and putting the finishing touches on the preparations, I reached the conclusion that he was a much more mature, methodical and analytical commander, with a firmer grip on his work, than the one I had met some months before at the Maj Gen Ignacio Agramonte y Loynaz FAR Firing Range.

Nevertheless, he himself knows that he still has a great deal to learn. He realizes that it is here, in training exercises, that he can hone his talents as a commander and overcome the shortcomings that still impair his work. The exercise that was about to begin would be a difficult test...

Prevent a Landing

The tanks in Lieutenant Maximiliano's small unit had taken their places early in the morning. Without wasting a minute, their crews were busily engaged in camouflaging their vehicles and readying their weaponry for firing.

In one of the armored cars 3rd Sgt Jorge Ricardo Gonzalez was supervising the work of his comrades: "Fernando, check the mechanisms of your machine gun again. Iran, start the tank engine and make sure everything's OK. Asterio, you and I are going to camouflage it. As quick as possible, comrade. Time is short."

We saw similar dynamism in each of the crews. None wanted to lag behind, much less to misfire because of an oversight at "the moment of truth," as the combatants call it.

By noon everything was ready to start the exercise. Lieutenant Maximiliano reminded his subordinates over and over again of what they had to keep in mind to score good marks, of the main targets and of the possible itineraries to reach the shore as quickly as possible.

At the first signal for preparations, the combatants gathered their ammunition and placed it inside the tanks, checked their weapons and communications equipment once more and then fell in, ready to begin firing.

"Fall out and begin firing!" the commander shouted over the intercoms.

The tank crews shot off to their combat posts, and a few seconds later we began hearing the roar of their machines. One after the other the tank engines started up, followed by the expected announcement: "Ready!"

The first stage of the exercise would test the gunners, among whom were soldiers Fernando Oliva Fernandez, Geovani Aldana Ortiz and 3rd Sgt Santiago Nieto Lopez. Then it would be the turn of the tank commanders. Both were equally restless and eager to finally knock down the targets, which had been floating untouched for days in the water.

The battle command was not long in coming:

"The enemy has begun his landing and is bringing his combat equipment towards the shore...Our small tank unit's mission is to head shoreward, occupy a firing line and beat back the enemy landing in conjunction with the artillery and mortars..."

Now that their mission was clear, the column of tanks began heading towards the shore at top speed. Upon arriving at the prearranged battle line, each tank rushed to occupy its firing position in the deployment.

On the right flank, Fernando's sweaty hands quickly operated the mechanisms. On the left, Geovani was checking on Evelio, the loader, as he inserted the projectile. In the tank that held the central position, 3rd Sgt Santiago Nieto did not waste a second in executing the commands. All of this took place with astonishing speed, in a matter of seconds.

The first shot rang out, then the second and the third...A heavy broadside smashed against the targets that represented the armored cars and tanks of the "enemy." The figures representing infantry groups were also downed by the accurate machine gun bursts.

In the distance, many targets were no longer visible on the water's surface, as a result of the direct hits; others were riddled with holes, clear evidence of the skill of our tank men.

The tank commanders and other crews conducting the exercise were similarly successful. They had just put into practice the theoretical knowledge that they had acquired throughout the current training period and they had done it well.

Lieutenant Maximiliano told them as much when he summarized the exercise back at their starting point. He looked pleased with the results.

"The objectives of the exercise were fulfilled," the commander of the small unit told his subordinates. "Our crews learned how to properly level targets on their own in the water. Special mention should be made on this occasion of the work done by gunner Santiago Nieto and driver-mechanic Iran Vinent Sanchez. Both performed skillfully, as demanded by actual combat."

The shortcomings that were detected were also discussed with the tank crews, and together the commanders and subordinates determined what had to be done to prevent them from being repeated.

Thus, Lieutenant Maximiliano clearly and simply analyzes each mission and talks it over with his sergeants and soldiers. Along with their vehicles, they make up a unit that feels increasingly confident about carrying out its training tasks.

We will leave them now, ready to continue their daily activities and prepared at all times to show that they are set to destroy any real "target" that the enemy tries to land on our soil.

The same fate that the targets out at sea met today awaits them...

8743

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SANDINISTS DEFEAT 'COUNTERREVOLUTIONARIES' IN EL CUA

Havana VERDE OLIVO in Spanish 26 May 83 No 21 pp 16-17

[Article by Lesmes La Rosa]

[Text] The rays of the sun were not yet warm enough that Sunday. Nonetheless, El Cua, a spot amid the Jinotega mountain range, was blazing as dawn broke. Sandinist firepower was going to break up a group of more than 120 counterrevolutionaries.

Santiago Rivera Moran is 52 years old and, as we Cubans say, he knows the El Cua area like the palm of his hand. He knows its past, its present and can glimpse its future. As a Nicaraguan patriot, he realizes that Sandino's people are not going to backtrack. Thus, when the Reserve Battalions were formed, he was among the first to enlist and was deeply moved when he received a modern AKM rifle to defend his land and the future of his three children.

That April morning, Santiago, at the head of a detachment of militiamen, was heading towards the La Flor Estate to check out how it was doing and to seek information on movements in the zone. Another group of combatants was heading there for the same purpose but along a different route. The reservist peered into a small gully and detected a column of armed men with backpacks. He surveyed them closely and noticed the hated blue uniforms that the imperialists provide to the counter-revolutionary bands. There was no doubt about it...They began to take their positions.

A Somozist had noticed them too, however, and brazenly shouted to them: "Surrender!" This brought a burst of fire for the former National Guard members. Thus began the fighting at El Cua, where the reactionaries were and always will be unable to achieve success.

The other detachment of militiamen immediately went into action; lying flat or hiding behind rocks or tree trunks, they unleashed a barrage of lead against the aggressors. The smell of gunpowder filled the air, as once again in the Jinotega mountains the armed people wrote another heroic page in their history and demonstrated one more time

their determination not to allow their Sandinist revolution to be snatched away from them, as militiaman Zacarias Munoz Ferrufino asserted later.

This was not a clash with a small band or dispersed group. It was the core of one of the so-called "task forces," the numerically superior and well-armed and stocked units heading towards the Honduran border.

The battle spread. Even though the Somozists used mortars and grenade launchers, the militiamen maintained a strong offensive until the afternoon. They were then joined by the recently arrived standing troops of the Sandinist People's Army and launched the final assault on the "contras," which included a somewhat more than 5-kilometer pursuit.

Defeat: The Inevitable Result

Only defeat lies in store for the people carrying out the Pentagon's and the CIA's warlike policy against Nicaragua. This has been corroborated in El Cua. More than 20 counterrevolutionaries lost their lives because of the people's weapons.

An entire arsenal was seized, including Chinese-made AK's and RPG-7's, as well as Yankee-made LAW rocket launchers and M-79 grenade launchers with their ammunition. The backpacks bore the all too well-known letters "US," and as expected, the clothing labels read "Made in USA."

The counterrevolutionary group operating in El Cua was also carrying a large amount of medicine, surgical equipment, equipment for blood transfusions and serum administration, vials for urine examinations, etc.

We need not mention where these items were manufactured; our readers are well aware of it.

In brief, the weapons and supplies that were seized clearly showed that, with the exception of morale and principles, the counterrevolutionary column was well supplied by its masters.

Sons of the People

Sandinist People's Army combatant Isidro Olivas Chavarria was lying on his sick bed. Shortly before he had been hit in the left leg by a mercenary projectile during the fighting at El Cua. The young peasant farmer had lost blood but not the strength or the morale to reaffirm his combat readiness, even amid the pain of his wound.

"As soon as I get better, I'll be back fighting them. We have to defend the revolution with everything we have."

He has experience, because even before the 19 July victory he had been engaged in the revolutionary struggle against the Somozist guardsmen "to put an end to the abuses and massacres."

He had this to say about the fighting: "Those guys in the guard have no morale. I was moving forward from one tree to another, pursuing them when I was hit at a clearing in the gully. As soon as we started firing they withdrew and fled..."

Marvin Antonio Altamirano is a 19-year old reservist who has just chalked up another encounter in his defense of the Sandinist homeland. He looks even younger. Someone jokingly asked him whether he was afraid. His reply was immediate:

"Afraid? We don't know what the word means...We've already had three clashes...Look, when you're armed and know that you're defending the country alongside your comrades, there is no such thing as fear..."

We could have heard many other impressions and anecdotes about the fighting from Santiago, Jose Duarte, Isidro Cruz and many more combatants who rifles at the ready are defending the irreversible path of progress that the new Nicaragua has begun.

8743

CSO: 3248/925

REPORTAGE ON HAITIAN ISSUE CONTROVERSY

President on Haitian Charges

Santo Domingo LISTIN DIARIO in Spanish 8 Jun 83 pp 1, 12

[Article by R. Rodriguez Gomez]

[Text] President Salvador Jorge Blanco ordered an "exhaustive investigation" yesterday to determine "the veracity and scope" of an accusation by the Haitian Embassy that there is an organized Mafia in the country involved in the illegal traffic of Haitians.

Dr Jose Augusto Vega Imbert, secretary of foreign relations, reported that he held "a long meeting" yesterday with the Haitian ambassador to the Dominican Republic, Mr Moliere Duplan.

The evening paper ULTIMA HORA published a report in yesterday's edition that the Haitian Embassy protested to the Dominican Foreign Ministry about what it considers the illegal traffic of Haitians from border points to the cane zone of Haina by an organized Mafia that operates with impunity.

Last night President Jorge Blanco urgently called Secretary of Foreign Relations Vega Imbert and the director of migration, Mr Baron Suero Cedeno, to his office at the National Palace. He talked with them for a long time about this matter.

At the end of the meeting, reporters approached Secretary of Foreign Relations Vega Imbert. When they asked for details about the meeting, he said: "I always meet with the president." He refrained from making comments for the time being on the Haitian ambassador's protest but later he indicated that "a press note" would be given to the communications media.

Mr Suero Cedeno refrained from making comments although he promised he would hold a press conference today.

"If we are involved in this tomorrow, I will make a statement," the director of migration said.

The press note distributed last night by the Foreign Ministry stated:

"Concerning the report that appeared in the evening paper ULTIMA HORA today referring to the alleged illegal traffic of Haitians, the Dominican secretary of foreign relations stated that he held a long meeting with the ambassador from Haiti, Moliere Duplan, concerning the accusation.

"The secretary of foreign relations indicated that, as a result of that accusation, the president of the republic, Dr Salvador Jorge Blanco, has ordered the appropriate authorities to make an exhaustive investigation to determine the veracity and scope of that accusation since unfounded accusations about this have been made on many occasions."

According to a document sent to Secretary of Foreign Relations Vega Imbert by the Haitian Embassy, an investigation made by two officials of the diplomatic mission, the first secretary and an attache, verified the illegal traffic of Haitian peasants and called it a colonial practice.

The document was signed AH-RD: 125-83. It was published yesterday by ULTIMA HORA which stated it obtained it at the National Palace.

According to this document, the investigation made by the Haitian diplomatic officials in direct contact with the events and victims also gives names of some of those responsible and the geographic points where the manpower--men, women, old people and children--is more or less kidnapped. The complaint of the Haitian Government, through the local embassy, denounced that "at the same time that agents of order pursue, arrest and deport poor Haitian agricultural workers, regulars or irregulars, under the worst conditions, new shipments of well-guarded replacements are taken to Haina in a continual flow by well-trained and visibly well-protected smugglers."

According to the document, this is the "practical solution to the annual flow of cheap manpower provoked by the pressure of a public hypersensitive to Haitians in the Dominican Republic."

This flow of illegal laborers "was what the secretary and attache, Mr Evans Francois and Mr Pierre Richard Dauphin, verified in Guanuma on Saturday, the 21st of this month (May). They were sent to those places to verify accusations received last week about this."

These two Haitian Embassy officials interrogated their compatriots--whom they call "the victims"--Italien Dupre, Aristine Joseph, Adanie Bien-Aime "and their five minor children who were there."

According to the document from the Haitian Embassy, these interrogations "revealed that a real gang, insured of the most complete impunity, operates openly along the entire border, especially in Pedernales, Aguacate, Limon and Banica.

The complaint of the Haitian Embassy stated: "From the Banica side, the most active 'swindler' is named Kelly."

"By deception or by force, they transport peasants without considering their sex, age or state of health," said the accusation against "Kelly." According

to the document from the Haitian Embassy, this smuggler of Haitians "puts his victims in the closest military post. He sends them from there to Haina where someone named Nicasio waits to register them and give them provisional identification that will quickly be confiscated from them as soon as they reach the work site."

That "work site" is assigned to the kidnapped Haitians "based on the law of the highest bidder and the last auctioneer."

"Every type of coercion alternated with the constant threat of prison and deportation without pay--which is ordinarily the rule--await them."

"The Haitian Embassy, by strongly protesting against these colonial practices, feels it is its duty to alert the Secretariat of State for Foreign Relations so that appropriate measures are finally taken. This is caused by the new outbreak of this disturbing situation that is perpetuated in flagrant contradiction to the modern concept of human relations and bilateral relations announced and practiced by his excellency, President Salvador Jorge Blanco, a situation that is the source of unpleasant comments about the Republic of Haiti and the Dominican Republic," concluded the protest by the Haitian Embassy to the national Foreign Ministry.

Armed Forces Secretary's Remarks

Santo Domingo LISTIN DIARIO in Spanish 3 Jun 83 pp 1, 13

[Article by Arsenio Ramirez: "Border Vigilance Will Be Maintained"]

[Text] The secretary of armed forces stated yesterday that vigilance will be maintained on the border to prevent the illegal entrance of Haitians to Dominican territory.

The top military official was interviewed by reporters as he left the Catedral Primada de America where a religious ceremony was held for Corpus Christi day. Top civilian authorities of the government also attended.

The secretary of armed forces was asked about former president Dr Joaquin Balaguer's statement that Haitian penetration into Dominican territory was increasing. He said: "Well, those are statements of a politician. I have not read that; I don't know."

In recent days, there has been talk about the massive penetration of Haitians into the Dominican Republic.

Some days ago, two researchers indicated in a work on Haitian immigration to the Dominican Republic presented at the 8th Annual Convention of the Association of Caribbean Studies that more than 200,000 Haitians reside in the country.

According to the study presented by researchers Mats Lundahl and Rosemary Vargas, 70,000 of that number are part of the work force. In addition to facing

"extremely onerous" living conditions, they are victims of "mockery and humiliation" by a society that considers itself superior.

They indicated that the Haitian workers endure social conditions that make it impossible to meet the basic needs of food and clothing.

Disputing the researchers later, the Haitian ambassador to the country felt the figure of 200,000 Haitians living in national territory was "exaggerated."

Dr Moliere Duplan said that apparently the researchers from the University of Lund, Sweden, are confused by the presence of thousands of Dominicans who are children and grandchildren of Haitians and live in sugar mill areas.

The diplomat revealed then that the Haitians who come to the country for the sugar harvest are sent back to Haiti. Those who try to remain in the country illegally are arrested and returned to their country by Dominican authorities.

The day after the statement of the researchers appeared in the newspapers, the director of migration, Baron Suero Ceden, denied that 200,000 Haitians live in the country.

The government official stated that the number of Haitians registered as residents in the Dominican Republic "does not come close to the figure of 200,000."

Suero Ceden revealed that, under the present administration, more than 7,000 foreigners (Haitians) who lived here illegally have been repatriated.

Yesterday Dr Balaguer called the penetration of Haitians into the country "very serious." He complained about the vulnerability of the border, stating that these illegal immigrants are not only displacing natives from work in urban and rural areas but are creating social and moral problems and problems for Dominican nationality itself.

The president of the Reformist Party said that apparently the Dominican authorities do not realize the seriousness of this problem. He stated that more than 200,000 Haitians now live in the country, the majority of them illegally.

Dr Balaguer agrees with the Swedish researchers as to the number of Haitians who live in the country.

Border Trade Seen Favorably

Santo Domingo LISTIN DIARIO in Spanish 7 Jun 83 pp 1, 11

[Article by Jose Romero: "Open Border Favored"]

[Text] Yesterday the executive director of the Dominican Center to Promote Exports felt it was undesirable for objectives of foreign trade with Haiti to close the border.

Teofilo Miranda said that the Dominican Republic has a client in Haiti, a very important buyer, and must continue selling to it not only for its own benefit but also for the benefit of the Haitians themselves.

For that reason, in his opinion, we should not think for a moment of closing the border.

The official indicated that, according to his reports, a pound of rice costs \$1.20 in Haiti now, a very high price. This stimulates many Haitians to come here to buy. He stated: "Naturally, we must sell to them."

As to the migration program, Miranda indicated that it is up to the migration authorities to try to control it.

He felt that it is normal for Haitians to cross the border to try to buy here since you can look at the border zone of any developed country next to another less developed country. He cited the cases of the United States next to Mexico and Canada and Costa Rica in Central America.

He indicated that in those cases there is a constant crossing of people from one place to another in search of work.

Given those relations that tend to polarize, the more developed country is the one that has a greater tendency to receive immigrants and, especially, receive a demand for articles.

Miranda viewed it as natural that the Haitians would try to come here to resolve their employment problems.

He indicated that some time ago, Dominicans crossed the border to Haiti to purchase products like perfume, liquor, etc. Now the situation is the reverse because purchases of that type have become much more expensive to the point that it is cheaper, perhaps, to buy them here.

He said: "The price is practically the same here. In other words, it is not necessary to go to Haiti to buy perfume or liquor."

However, he felt it appropriate that trade relations be done through normal marketing channels so that the country in general benefit and avoid the black market system.

He said that the merchants of the country are those who benefit, citing as an example the case of the rise of businesses and service establishments around Avenida Mella.

Senators Voice Concerns

Santo Domingo LISTIN DIARIO in Spanish 8 Jun 83 p 9

[Article by Octavio Mata Vargas: "Senators Note Haitian Penetration"]

[Text] Several senators spoke out yesterday in the Senate against what they called the massive penetration of Haitian nationals into the Dominican Republic. At the same time, they warned that this could degenerate into a dangerous situation for the future of the country.

The subject was opened by the reformist senator for Salcedo, Francisco Ortega Canela, who revealed that, because of that situation, malaria has returned to the Dominican Republic.

He indicated that there are frequent cases in central Cibao today where that disease had never been seen before.

Ortega Canela also said that the penetration of Haitians into the country during recent years has meant that colonies of Haitians already exist on coffee plantations in Moca and Salcedo.

He added that in the capital city itself, "everywhere you look there is a Haitian national."

"When they say that they are protected by a certain political leader, they cannot hide a smile of gratitude and satisfaction," exclaimed the reformist legislator in reference to the Haitians living here.

Ortega Canela indicated that the concern that is noted in the country today about the growing presence of Haitians is due to the proximity of the neighboring country and to the fact that, on one occasion, the Dominican Republic was occupied by them. Many Dominicans had to lose their lives to recover freedom.

"It has been said here that the Haitian schools preach to the children that this island is one and indivisible and, in a certain sense, belongs to them. Therefore, we cannot permit the penetration to increase slowly and progressively while we remain impassive."

Finally, Ortega Canela indicated that it is necessary to confront this situation "without stridency and displays."

Refutes Opinions

The spokesman of the PRD [Dominican Revolutionary Party] bloc in the Senate, professor Luis Santiago Bautista, said that it seems to him that the accusations that sectors tied to the Reformist Party, basically its leader, are constantly making about the problem of Haitian immigration constitute a serious danger for the very stability of the nation.

The PRD legislator indicated that in 1963 when professor Juan Bosch was president of the republic, one of the reasons mentioned then by the sectors that felt it necessary to topple the government of professor Bosch was the possibility of an invasion by the neighboring Haitians.

He called attention to the fact that former president Joaquin Balaguer, after declaring his willingness to radically confront the government of Dr Salvador Jorge Blanco, has as his first banner the fight against Haitian penetration into our country.

Santiago Bautista said that Ortega Canela's explanation of the matter is as clear as water and "reveals the traditional class and race hatred that always seeped out of the pores of Dr Joaquin Balaguer."

At the same time, the spokesman of the PRD bloc in the Senate revealed that the problem of the Haitians did not begin in 1978 with the government of the late president Antonio Guzman but during the regime of former president Joaquin Balaguer who signed an agreement with Haitian authorities to bring Haitians in to cut cane.

"I would like to see awareness of the danger of these statements, which could be considered laughable, because there is a great crisis today in Central America led by the guerrillas of El Salvador and Nicaragua."

He added that this campaign "dangerously led by a former soldier, Jimenez Junior, who was even a foreign representative of our country is obviously united to Balaguer's campaign and is a danger for the political stability of the nation."

Carvajal Responds

The spokesman of the reformist bloc of the Senate, Florentino Carvajal Suero, disputed the arguments given by his PRD colleague, pointing out that everything seems to indicate that the statements that Dr Balaguer made recently on the problem of the Haitians have been distorted.

He explained that what the reformist leader has done "as a Dominican from head to toe is to sound the alarm, reminding the Dominicans and the government that the country has laws that regulate foreign immigration and that they must be observed by all who are not Dominicans."

He indicated that this is not an anti-Haitian statement nor a matter of political objectives.

Carvajal Suero exclaimed: "What is happening is that the problem is being felt because it is worsening day after day."

The spokesman of the reformist bloc of the Senate proclaimed that he is from the border. He has never, under any circumstances, seen such an effect of Haitians in our territory as is being felt now.

He added that in the border region as well as in other towns in the interior and even in the capital itself, the number of Haitians who displace the Dominicans in work keeps growing.

President Downplays Issue

Santo Domingo LISTIN DIARIO in Spanish 10 Jun 83 pp 1, 11

[Article by Maximo Manuel Perez]

[Text] President Salvador Jorge Blanco said yesterday that the government will improve humane treatment in immigration cases, especially of Haitians. He pointed out that the traditional friendship and "good understanding" between the Dominican Republic and Haiti remain normal.

However, Jorge Blanco felt that the recent statements by former president Joaquin Balaguer about the Haitian situation seek to discredit national policy as well as create cracks in Dominican-Haitian relations.

For the first time since the debates about Haitian immigration began, Jorge Blanco commented on the matter. He indicated, however, that it "is a topic as old as the foundation itself of the Dominican Republic."

He added: "Therefore, in the course of the Government of National Concentration, everything is an inherited matter. The position of the government has been to maintain the same mechanisms that existed to control the border and, at the same time, improve humane treatment in immigration, even if it is clandestine or undocumented."

Jorge Blanco maintained: "The facts are very eloquent. Figures that have been given and will be given soon will demonstrate and do demonstrate how the Government of National Concentration has fulfilled its part in this matter in good understanding, in good traditional respectful friendship with the Haitian Government and the Haitian people."

Jorge Blanco was asked if he felt that Dr Balaguer's statements about this matter could affect Dominican-Haitian relations. He answered: "Of course."

In passing, he mentioned "the statements issued by the legal adviser of the Executive Branch that the statements of the reformist sector had an interest in trying to produce some type of friction in Haiti's relations with the Dominican Republic."

The chief of state maintained that "it is obvious, unquestionable, that the new statements that are being made today, where reformism itself asks for a focus in another direction, correspond to an objectivity that was not seen before."

The president also said that "the Hispanic ancestry of our peoples maintains its roots and the proximity with Haiti is a proximity that goes back to the discovery itself. The treaties of Rinswick and then Aranjuez define the boundaries of the Haitian people and the people of the Dominican Republic."

(The treaty of Rinswick in 1697 achieved peace between Spain and France who were at war. The eastern part of the island of Santo Domingo became a French possession.)

(Through the treaty of Basilea, signed in the Swiss city on 24 July 1795, Spain ceded the Spanish part of the island of Santo Domingo to France.)

(The treaty of Aranjuez signed on 8 June 1777 establishes the boundaries between the Dominican Republic and Haiti.)

Jorge Blanco stated that "the visits we have made on different occasions to the border and implementation of the plans of the border communities always show the concern of the government that all the border not only receive adequate economic, social and cultural attention but, at the same time, the normal vigilance observed in border states in every part of the world."

Jorge Blanco said also he did not know that the Haitian Embassy had withdrawn the document denouncing that a band of Haitian traffickers continues to operate with "impunity" in the country.

The president made these statements yesterday during the popular audiences he holds every Thursday at the National Palace to answer questions from reporters.

Jorge Blanco plans to visit Neiba in the coming month. It is believed that he will use that occasion to go to some cities on the border.

The president has made extensive trips through that area in the past.

Balaguer: PRD-Haitian Ancestry

Santo Domingo LISTIN DIARIO in Spanish 10 Jun 83 pp 1, 11

[Article by Manuel Silvestre]

[Text] Dr Joaquin Balaguer lamented yesterday that the president of the republic, Dr Salvador Jorge Blanco, tries to "minimize the problem of massive Haitian immigration."

Balaguer alleged distortion of his statements when it was said that their objective was to discredit the government and create friction between the Dominican Republic and Haiti.

Also Dr Balaguer revealed that the PRD should be the most interested in the search for a solution to the problem of Haitian immigration due to the fact "that it has several leaders of Haitian ancestry and there is the prospect that they will become president of the republic."

The former president of the republic and president of the Reformist Party did not identify the PRD leaders with Haitian ancestry, limiting himself to say in response to that question that "everyone knows who they are."

Balaguer issued those statements when interviewed during his usual walk through the Parque Mirador del Sur. He referred to some statements President Jorge Blanco made to the press about the Haitian immigration problem in the Dominican Republic.

Jorge Blanco stated that the campaign denouncing the presence of Haitians in the country is an attempt to discredit the policy that the Dominican Republic applies and, at the same time, create cracks in the relations between the two governments.

The president also explained that the Hispanic ancestry of our people maintains its roots and the proximity with Haiti goes back to the time of discovery. The treaties of Ryswick [as published] and then Aranjuez established the boundaries that define the Haitian people and the people of the Dominican Republic.

Balaguer had said yesterday that the massive Haitian immigration endangers the Hispanic ancestry of the Dominican Republic.

Former president Balaguer stated: "My opinion is that the problem has existed since the discovery of the island, as the president stated, but it has not been resolved from that time until now. In recent years, it has really worsened."

He said that the worsening of the problem "is visible to all" and that "all Dominicans feel the presence each day of many Haitians both in the rural centers as well as the urban areas."

He maintained: "That presence is obvious and cannot be hidden." "It is unfortunate that the president of the republic tends to ignore the problems of the country and minimizes them."

He explained that the president's tendency is observed "not only in the problem of the peaceful Haitian invasion of the country but also on the economic plane which generates social problems."

Former president Balaguer called that tendency "serious and dangerous." He stated: "It is necessary to confront problems as they are, face them and try to resolve them with the measures that circumstances permit."

The leader of the Reformist Party repeated his denial that the objective of his statements about Haitian immigration is to create problems between the Dominican Republic and Haiti, calling this "absurd." He simply wanted "to plead for attention to the problem, that adequate measures be taken."

He said that the work of any political party is to point out the existence of problems and call the attention of the government to them, ask for solutions, plead for them, in a civilized way as we have always done.

Balaguer maintained that he does not believe that his recent statements can produce friction between the Dominican Republic and Haiti since both nations are aware of the problem.

"The Haitian Embassy itself has just made some statements on that matter which are much more alarmist than those that political leaders of the PRD have made," noted Balaguer.

The former president maintained that the problem "must be taken out of the purely political, partisan plane and placed on a plane where it can be focused on from a purely Dominican viewpoint."

Majluta Defends Pena Gomez

Santo Domingo LISTIN DIARIO in Spanish 12 Jun 83 pp 1, 13

[Text] The president of the PRD said yesterday that the recent allusions to the alleged Haitian nationality of Dr Jose Francisco Pena Gomez are a "real injustice" and an "effort to discredit his contributions to the present institutional process of the country."

Jacobo Majluta, senator for the Distrito Nacional and president of the Senate, said that the time has come for the political community to pay Dr Pena Gomez the respect he deserves.

"The contributions of the secretary general of the PRD and top leader of our organization so that the country travel along democratic paths and undertake a lasting institutional process form part of the patrimony of the Dominican people. No one, however influential he may be in our political community, can make it be forgotten," he revealed.

Majluta obviously referred to the statement of the leader of the Reformist Party, Dr Joaquin Balaguer. On Thursday, he had stated that the PRD has "leaders of Haitian ancestry and there is the prospect that they will become president of the republic."

He stated: "That is enough ingratitude. We Dominicans must learn to appreciate our values and Dr Pena Gomez is one of our most precious democratic values at this time."

Majluta asked what else a Dominican must do in addition to the personal sacrifices and the complete dedication to the fight for democratic freedoms Dr Pena Gomez has made for more than 20 years in order to earn the respect of the public, particularly its most brilliant intellectuals and politicians.

He called attention to the fact that Dr Pena Gomez can still write brilliant chapters in Dominican political history.

Majluta noted: "His youth, his extraordinary selflessness, work capacity and shrewd historic vision make Dr Pena Gomez a valuable and indispensable part of the complicated and delicate gears that keep our democracy going."

The PRD leader felt that the exhortation made by Dr Balaguer that the authorities pay proper attention to the problem of growing Haitian immigration must be heeded.

Majluta revealed: "We are among those who believe that when a political leader of the stature of Dr Balaguer brings up a major problem like the undeniable Haitian immigration to our country, he must be listened to."

According to the president of the PRD and the Senate, we Dominicans face a complex economic and social situation that, "without any question, is aggravated by the massive presence of Haitians displacing natives from the few existing jobs."

From this point of view, Majluta insisted, Dr Balaguer's accusation has to be viewed as a sincere contribution to our government since it seeks to solve or carry out measures toward solving the problems that the growing illegal Haitian immigration created.

Vega: Haitian Relations Good

Santo Domingo LISTIN DIARIO in Spanish 12 Jun 83 pp 1, 12

[Article by R. Rodriguez Gomez: "Vega Says Ties with Haiti Are Good"]

[Excerpt] Airport of the Americas--"Our relations with Haiti are fine," the secretary of foreign relations, Dr Jose Augusto Vega Imbert, proclaimed here last night.

Vega Imbert also revealed that, according to diplomatic norms, the Haitian ambassador should reveal the final destination of a note of protest sent by the Haitian Government to the Dominican Government.

However, Vega Imbert said, "our relations with Haiti are fine."

In recent days, there has been a public debate about alleged mistreatment of Haitian nationals in the country.

The Haitian ambassador sent a note of protest to the Foreign Ministry denouncing this situation.

It was said, however, that the Dominican Government rejected it due to its terms which it considered improper and refused to accept it.

Secretary of Foreign Relations Vega Imbert refrained from making any comment about the original note and the response to it yesterday.

He said: "According to diplomatic norms, the Haitian ambassador should reveal the final destination of the note."

(Last Tuesday the Haitian Government demanded the presence of its ambassador, Moliere Duplan, in that country. According to what was learned last night from diplomatic sources, the diplomat is back in Santo Domingo where he arrived yesterday from Port-au-Prince.)

Santiago Bishop Urges Caution

Santo Domingo LISTIN DIARIO in Spanish 11 Jun 83, pp 1, 11

[Article by Miguel Cruz Tejada: "Bishop Advises Caution in Case"]

[Text] Moca--The bishop of the diocese of Santiago, Monsignor Roque Adames Rodriguez, warned the government that it must handle the Dominican-Haitian problem with caution.

The Catholic prelate revealed that the Haitians who come under contract must be treated according to the stipulations which both sides must observe.

He indicated that the Haitians must be treated with respect for the dignity of man.

He pointed out that the Haitians who penetrate illegally receive other treatment and must be handled according to the law but applying the law, without abuse, without mistreatment.

"That is the advice that the Dominican Catholic Church would have to consider and take into account."

He said that he would not dare say that the government is responsible for the situation of the Haitians due to the fact that the state has very large estates. Nevertheless, he believes that there are subordinates and traffickers of illegal immigrants who commit abuses.

Monsignor Roque Adames repeated that the problem of the Haitians is social and economic due to the situation of that fraternal country.

He indicated that the majority of the Haitians flee their country because of an empty stomach, not the political situation.

He said that many Haitians make frequent illegal trips, fleeing from the hunger and poverty they suffer.

Haitian Protest Never Received

Santo Domingo LISTIN DIARIO in Spanish 11 Jun 83 p 10

[Article by R. Rodriguez Gomez: "Government Apparently Rejects Haitian Note"]

[Text] The Dominican Government claimed a note of protest that the Haitian Embassy sent to it concerning the alleged mistreatment that Haitian nationals receive here was not received, according to what was learned here.

Apparently diplomatic relations between Haiti and the Dominican Republic might not be good.

Since last Tuesday the Haitian ambassador to the country, Mr Moliere Duplan, has been there at the request of his government.

Last night Mr J. Russo and Mr Leo Reyes, the highest officials of the Dominican Embassy in Port-au-Prince, as well as the ambassador designate to Haiti, Guarionex Rosa, were at the National Palace.

Russo and Reyes met with the secretary of the presidency, Hatuey De Camps, while Rosa was apparently called by the president, Jorge Blanco.

Although Rosa was appointed to the diplomatic post, he has not yet presented his credentials.

The Haitian consul in the country and other officials of the Haitian Embassy were expected at the National Palace last night. That visit did not take place nor was the reason for the frustrated visit learned yet.

Many unsuccessful efforts were made to locate the Dominican secretary of foreign relations, Dr Jose Augusto Vega Imbert, to make some comment on the matter.

It was learned from a high source at the palace that President Jorge Blanco might have authorize the assistant secretary of foreign relations, Cotubanama Dipp, to issue some official communique but that had not occurred by press time.

The efforts to locate the assistant secretary of foreign relations, Dipp, were fruitless.

As to the rejection of the note of protest from the Haitian Embassy to the Dominican Government, it was said that the government felt that the note was not written with diplomatic delicacy and used language that bordered on insolence.

The note of protest was sent last 23 May. It was generated by the existence of alleged illegal traffic of Haitians across the border.

When this was learned, President Salvador Jorge Blanco ordered an "exhaustive investigation" to determine "the veracity and scope" of the Haitian Embassy's accusation.

It has not been possible to establish yet what results the investigation ordered by the government has yielded.

President: Issue Closed

Santo Domingo LISTIN DIARIO in Spanish 12 Jun 83 pp 1, 13

[Article by Saul Pimentel: "Put an End to Discussion"]

[Excerpts] The president of the republic said that, for him, discussion of the illegal penetration of Haitians into the country "is completely closed."

Dr Salvador Jorge Blanco spoke sharply when a reporter asked his opinion about Dr Joaquin Balaguer's latest statements concerning the natives of the neighboring country.

"To me, it is a closed issue. I don't have anything to say," stated the president.

In recent days, there has been a public debate in the country about the problems that the Haitians in the country allegedly cause.

CEA to Hire Haitians

Santo Domingo LISTIN DIARIO in Spanish 14 Jun 83 pp 1, 13

[Article by Maximo Manuel Perez]

[Excerpt] Guerra, Distrito Nacional--President Salvador Jorge Blanco said yesterday that the government is determined that the hiring of Haitians to work for the State Sugar Council, which is done based on an existing agreement, includes more humane treatment more in accord with the keynote of human rights.

The president rejected a report by the ILO in which the governments of Haiti and the Dominican Republic are asked to formalize an agreement that regulates the use of Haitian laborers for agriculture and provides better conditions for those people.

Jorge Blanco defended the way in which the government has been applying the agreement to hire Haitians. He said that although the treatment of these citizens is humane, there is still interest in improving it.

"The agreements have been implemented just as they were written. We have pledged that this treatment will become more humane, more in accord with the keynote of human rights which have universal meaning," the president indicated.

Jorge Blanco defended the repatriation of Haitians, indicating that this is nothing new nor exclusive of the Dominican Republic.

"The repatriation of undocumented immigrants has always existed here and in all the countries of the world," the president of the republic added.

He pointed out that "this does not constitute any new modality or position."

Jorge Blanco explained: "It is simply what corresponds to a government to do when someone is living in a certain country illegally."

He stated: "That happens here in the Dominican Republic, in Haiti itself, in the United States, in Puerto Rico, in Mexico and in any European country."

The president indicated: "Then there is the natural departure, at the end of the sugar harvest, of those Haitians who came based on the agreement between

the Dominican Government and the Haitian Government. This is a normal return at the end of each harvest."

An ILO report made public by the government through the communications media suggests a bilateral agreement between Haiti and the Dominican Republic to seek improvements in the employment conditions for Haitian citizens to do agricultural work in the country.

According to the UN labor organism, as long as workers are recruited from Haiti, the arrangements for hiring them and the determination of their basic conditions of employment must be regulated by an agreement between the two interested countries in a way that corresponds to agreements of that nature.

"Not only must they establish the obligations of the enterprises that employ those workers but they must also assign to the Dominican Government the responsibility of guaranteeing that the obligations of the employers will be carried out," the report added.

7717

CSO: 3248/951

COMMUNIST PARTY ISSUES COMMUNIQUE IN MEXICO CITY

FL010130 Mexico City NOTIMEX in Spanish 2236 GMT 30 Jun 83

[Text] Mexico City, 30 Jun (NOTIMEX)—The Communist Party of El Salvador [PCES] today charged the United States with trying to incite a generalized war in Central America through its policy of operations [as received] in the region.

In a communique released here, Schafik Jorge Handal, PCES secretary general and commanding general of the Armed Forces of Liberation, reiterated that the Ronald Reagan administration and the Pentagon maintain a conventional, bacteriological, and chemical strategic military offensive to subdue the Salvadoran guerrillas.

He asserted that Honduran army and U.S. air force troops conduct regular raids in Salvadoran territory, "Openly bombing the civilian population," 24 hours per day and using white phosphorus bombs indiscriminately.

He said the U.S. Government is trying to increase military aid to the Salvadoran regime to defeat the insurgents and at the same time rush the elections to impose another regime and a new constitution which would justify their intervention.

CSO: 3248/992

SICA WILL COMBAT DISINFORMATION IN REGION

San Salvador EL MUNDO in Spanish 14 Jun 83 p 2

[Text] The Central American Information System (SICA) will be established tomorrow following an agreement made last week by the secretaries of information of Guatemala, Costa Rica, Honduras and El Salvador meeting in San Salvador.

The signatories of the document, which contains four whereas clauses and four resolutions, "directed toward the defense of freedom, peace, justice and democracy in the isthmus," it says, are respectively: lawyer Manuel Lopez Trigo of Costa Rica, professor Luis Angel Lagos Gomez of El Salvador, lawyer Gonzalo Asturias of Guatemala and lawyer Oscar Buezo of Honduras.

During their stay in San Salvador the secretaries of information and their advisers, among whom were the directors of the national radios, were heard by the National Council of Information of El Salvador, composed of professor Lagos Gomez and the directors, lawyers Gerardo Le Chevalier and Julio Rank Romero.

The document signed in San Salvador is the following:

"Whereas: 1- That the concern of all peoples and governments is the validity of democracy, peace, freedom and justice in Central America; 2- That one of the factors that most threaten these basic principles is distorted information or misinformation that the enemies of democracy utilize; 3- That it is necessary to create a common front in the information field to contribute to the defense of the principles pointed out above; 4- That they consider as a solidary principle adopting adequate mechanisms with the communications media in their reach for this urgent task of common interest in the preservation of democracy.

"Therefore they agree: 1- To establish the Central American Information System (SICA), directed toward the defense of freedom, peace, justice and democracy in the isthmus; 2- To acquire at the highest government levels the facilities to carry out the project contained in this declaration; 3- To immediately initiate and with the means within reach of the respective governments a plan of action to promote SICA starting from 15 June of this year.

By virtue of the above the officials meeting in the city of San Salvador, representing their respective governments in the field of public communications, sign this document at 1800 hours on 10 June 1983. Manuel Lopez Trigo, secretary of information of Costa Rica. Luis Angel Lagos Gomez, secretary of information of El Salvador. Gonzalo Asturias, secretary of information of Guatemala. Oscar Buezo, secretary of information of Honduras."

9545

CSO: 3248/945

BRIEFS

NATION WILL HOST 1985 COTAL--The Twenty-Sixth Congress of the Confederation of Latin American Tourists Organizations [COTAL], at a meeting held between 8 and 15 May in Buenos Aires, Argentina, agreed to designate El Salvador as the seat of the Twenty-Seventh Congress of COTAL, to be held in the Salvadoran capital in 1985. This honor for our country was announced yesterday at a press conference by Managing Director Ernesto Angulo Delgado of the Salvadoran Tourism Institute [ISTU], and he said the selection of El Salvador as host to such an important event is a unique privilege of great significance for the economic development and tourist industry growth of El Salvador, since COTAL congresses bring together more than 2,000 delegates from the various American countries and other parts of the world, including wholesale dealers who manage the tourist flow to the nations of our continent. Angulo indicated that COTAL's congresses currently comprise the largest tourist market in Latin America, and the host country becomes a gigantic window to the various tourist resources and attractions we have to offer to visitors from all over the world. Angulo Delgado said that the very fact that El Salvador was chosen as the seat of COTAL's 1985 congress served to awake an extraordinary interest in getting to know all the benefits of Salvadoran tourism among the delegates in Argentina. Finally, said Angulo, investing in tourism benefits also of us. [Text] [San Salvador DIARIO LATINO in Spanish 3 Jun 83 p 2] 9839

STEEL INDUSTRY EXPLOITS SCRAP--"The Salvadoran steel industry is confronting the current crisis and producing the steel needed by other industries by exploiting the scrap pile," said Carlos Hipolito Murillo, president of the Central American Industrial Corporation [CIC] and former minister of the economy. He reports that his firm alone produces 40,000 quintals of steel a month, in addition to production at the Tinetti Foundry [FT], which also employs scrap. He added that before 1979 the oven now in use was down because it was cheaper to produce steel from an imported raw material known as steel billet, but that with the coming of the current economic crisis they were forced to turn to scrap. The problem, he added, is that while abundant scrap exists at many government agencies (such as INCAFE [National Coffee Institute], INAZUCAR [National Sugar Institute], ISTA [Salvadoran Institute of Agrarian Transformation], the armed forces' armory, and some 15 other agencies that have been identified), it is practically impossible to buy scrap due to the red tape involved, in the absence of a centralized office that could respond to the demand. This would represent a healthy source of revenues for the nation's tax authority when they are most needed, since steel manufactureres pay cash in hand, said Murillo. [Excerpt] [San Salvador EL MUNDO in Spanish 1 Jun 83 p 28] 9839

CORN SEED PRODUCTION--A production of at least 80,000 quintals of certified corn seed for growing, of which 60,000 will be earmarked for domestic consumption, and the surplus, once demand has been covered, could be allotted to exportation, is forecast by the Department of Certification for Seeds and Plants of the Center for Agricultural and Livestock Technology [CENTA] of the Ministry of Agriculture and Cattle. CENTA technicians reported that despite prevailing circumstances in the 1982-1983 period, production of certified seed for growing corn covered domestic levels and requirements without the occurrence of greater increases in the price per quintal. The 1983-1984 production includes an average of more than 1,700 manzanas cultivated of certified seed through authorized growers. [Excerpt] [San Salvador EL MUNDO in Spanish 14 Jun 83 p 2] 9545

CSO: 3248/945

PUBLIC DEBT EXCEEDS 2 BILLION QUETZALS

Monetary Policy Clarified

San Salvador LA PRENSA GRAFICA in Spanish 15 Jun 83 p 56

[Text] Guatemala presently has a public debt of more than 2,000,387,000 quetzals, according to Dr Leonardo Figueroa Villalta, minister of finance of that country. He said that the external debt amounts to 757 million quetzals, while the domestic debt amounts to 1.63 million quetzals.

At the same time Dr Figueroa Villalta made clear the absolute care which the Guatemalan Government exercises in handling the country's paper money. In this respect he pointed out that it is false to assert that the government is printing large quantities of paper money without the necessary backing in precious metal. Such action, he stressed, would cause unjustified inflation, which the people would wind up paying for.

As evidence of the fact that the government is not issuing paper money without any backing, he emphasized, is the reduction of the budgetary deficit of the country, which has had good results. This year it is planned to stabilize the deficit at an acceptable level, within normal limits.

With the fiscal deficit brought down to within stable limits, and with the exchange rate of the quetzal stable, now is the right time for the government to begin a tax reform which will definitely bring about the economic recovery of Guatemala. These two situations, the minister of finance said, lead us to believe that in a short time the nation will move in the direction of rapid economic growth, to the benefit of Guatemalan citizens, as well as of the people of Central America.

Government Points to Stability

Guatemala City EL IMPARCIAL in Spanish 13 Jun 83 pp 1, 10

[Text] The public debt has grown moderately, thanks to restrictions on the volume of public expenditures. In this way the impact of public spending on prices and the balance of payments has been reduced to a minimum level.

This was announced by the Bank of Guatemala in a lengthy document accompanied by statistical data. The study was prepared in view of the fact that statistics and commentaries on the public debt have appeared in the mass media, but these do not reflect reality in an objective form.

The Bank of Guatemala also indicates that with regard to figures on the growth of the public debt, which have been given some prominence in some organs of the press, this data involves projections that will not necessarily turn out to be correct. Officially published data and forecasts are more carefully prepared.

Figures reported over the past few months show that the total public debt is below the projections mentioned above. The monthly average growth of the public debt from January to April this year was about 5.8 million quetzals.

Total growth in the public debt during the same period was 23.3 million quetzals, and actual reductions took place in February and March.

It was also indicated by the bank that the fact that the government has contracted additional domestic or foreign debt does not immediately lead to the issuance of more money, as has been reported. This is because the application of financial resources is a gradual process and in accordance with a previously prepared program. In this way the government has resources available in the form of bank deposits which do not immediately wind up in the money supply. Thus, there is no inappropriate increase in the money supply. Consequently, and in view of the size of the deposits referred to, the impact on the money supply is considerably reduced.

It was stated that the domestic debt was only one of the elements which tend to have an expansive or contractive effect on the money supply. There are other factors of equal importance which may lead to increases or reductions in economic liquidity. These other elements include foreign exchange transactions whose movement out of the country, for example, implies a reduction in the money supply, as has happened in the last few years, and repayment of debts to banks, which also has a contractive effect.

Therefore, the Bank of Guatemala declares, it can be stated that it is not only entering into new debts which results in increases in the money supply. This is shown by the fact that when the domestic public debt has increased, it has done so on a really moderate scale, and, what is more important, it has not resulted in a parallel increase in the money supply of the same magnitude.

On the other hand, once the resources the government obtains from entering into new debts are channeled into the economy, these take the form of savings accounts, in large part available only after some months, and these have been of growing significance in relation to the money supply. Consequently, savings deposits in practice have been turned into a factor working for the neutralization of new supplies of money, avoiding too much pressure on demand and on prices.

In any case it is stated that the monetary authorities exercise permanent control over the evolution of the money supply and money in circulation, to ensure that these maintain levels compatible with the needs of the economy in general. The monetary authorities use the coercive powers available to the central bank as soon as tendencies are perceived which are likely to distort or threaten internal economic stability.

In the last few months, the Bank of Guatemala states, there has been a significant degree of stability in the handling of the public debt, in monetary variables, and in prices, in contrast to the substantial increases which took place previously. There have been price increases due to speculative causes, for the most part, which have been denounced recently. These increases are not the result of the prevailing, promising economic conditions.

5170

CSO: 3248/944

FOREIGN CAPITAL SOUGHT FOR FEGUA, FLOMERCA IN LIQUIDATION

Guatemala City PRENSA LIBRE in Spanish 3 Jun 83 p 4

[Text] President Rios Montt announced yesterday at a press conference that FLOMERCA could be liquidated by the end of this month, while avenues are being sought for foreign investment to finance repairs to the railways in an effort to save FEGUA [Guatemalan Railways].

The nation's chief executive held a press conference yesterday in the banquet room of the national palace, where he reported on a variety of topics concerning the country's problems.

His remarks concerned the current condition of such businesses as FLOMERCA and FEUGA, enterprises in need of more than 200 million quetzals each to continue operations.

In the case of FEGUA, the president indicated that other countries have had ample experience with railroads. For this reason, a study is being conducted to seek investment by some foreign government in order to finance repairs to the rail system and revamp an enterprise that is currently in a state of calamity.

Reporters asked Rios Montt if the decision to seek foreign investment would not lead to repeating past errors, as in the case of FEGUA and the Electrical Firm [EE].

"No," replied Rios Montte, "presently investment by foreign governments would be direct. In the past they were given contracts for more than 90 years, but things would be different now. Should they repair the entire rail network, we might give them a concession to use the service for a period of 15 years, for example.

"The matter is nonetheless under investigation, but we are looking for a way to save FEGUA, which as of the present continues to be a form of inexpensive transportation."

FLOMERCA

Concerning FLOMERCA, the president pointed out that this national maritime firm is undergoing liquidation. He indicated it was probable that by the end of the month, FLOMERCA would pass into history.

FLOMERCA is facing severe economic problems, to the extent that one of its ships has been sold abroad for junk, and the other two are anchored in Puerto Santo Tomas and cannot be moved because they are disabled, according to official reports.

Concerning AVIATECA [Guatemalan Aviation], which has been another state enterprise that required government subsidies, President Rios Montt said that the airline is currently having its economic status investigated, in order to determine whether it should continue as an autonomous state section.

Finally, Rios explained that GUATEL and the Port Facilities at Santo Tomas de Castilla are both profit-yielding firms.

9839

CSO: 3248/898

STATE COUNCIL CONFIRMS PEASANT MASSACRES

PA291640 Panama City ACAN in Spanish 0010 GMT 29 Jun 83

[Excerpt] Guatemala City, 28 Jun (ACAN-EFE)—Several members of the Guatemalan State Council, President Efraín Ríos Montt's advisory body, today reported to a group of the UN Human Rights Commission that peasant massacres have continued in the west.

The State Council members indicated to the group headed by Olville de Culross that residents of the western areas in conflict are experiencing a very difficult situation. The Council members charged that the civilian self-defense patrols, which are paramilitary units created by the Guatemalan army to fight the guerrillas, are generating a new form of violence.

They added that the Indian population, the majority of the area's residents, has continued to flee the villages because of continued killing in the Guatemalan high plateau, although this has been occurring less frequently. According to several council members, the army's arming of peasants to organize self-defense patrols has led to the violent settlement of old feuds between neighboring villages over land, racial or personal problems.

The Episcopal Conference had previously warned against the danger of militarizing the peasants and forcing them to become members of these civil patrols, disregarding their limited military training.

CSO: 3248/991

BRIEFS

COSTA RICA DEVALUES QUETZAL--Last 24 May, the Costa Rican Government allowed the Guatemalan quetzal to float in a unilateral measure which has effectively broken the Central American monetary system, as a variety of banking, finance, and economic integration experts remarked yesterday. According to these sources, exchange operations as of last 24 May are no longer carried out at the central bank, but instead at the national bank (equivalent in Guatemala to the National Mortgage Credit Bank [CHN]). Up until Monday, 23 May, the rate was 44.60 colons to the quetzal, in other words equal to the rate for the American dollar. Today, the exchange rate is floating between 26 and 31, which represents a drop of 25 percent, hence a virtual devaluation by Costa Rica. The same monetary sources we consulted have said that when the quetzal was allowed to float, they were under the impression that transactions that took place through the clearing house in paper rather than in bills would respect the old exchange rate, but this has not been the case. Thus, they have been forced to submit to the floating rate. The CORREO ECONOMICO will provide in-depth coverage on this topic in today's issue. [Text] [Guatemala City PRENSA LIBRE in Spanish 3 Jun 1983 p 15] 9839

REFUGEES IN MEXICO--Mexican Ambassador in Guatemala Rafael Macedo Figueroa, referring to the latest figures on the number of Guatemalan refugees in Mexican territory, said there are 41 refugee camps and approximately 23,000 refugees along the Guatemalan-Mexican border in the State of Chiapas alone. [Summary] [PA251929 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 24 Jun 83]

CSO: 3248/991

BRIEFS

NEW AMBASSADOR TO MEXICO--Former Deputy Foreign Minister Ricardo Arturo Pineda Milla has been named Honduran ambassador to Mexico. He will travel to that country within the next few days. [Summary] [PA251857 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 24 Jun 83]

NEW DEPUTY LABOR MINISTER--Carlos Gilberto Sandoval, the new deputy labor minister, was sworn in today by President Roberto Suazo Cordova. He replaces Giovanni Martinez. [Summary] [PA251857 San Pedro Sula TIEMPO in Spanish 24 Jun 83 p 9]

CSO: 3248/988

FORMER CNIA OFFICIAL, OTHERS, CHARGED WITH MISUSING FUNDS

Mexico City EXCELSIOR in Spanish 10 May 83 pp 1,9

[Article by Rafael Medina and Victor Payan]

[Excerpts] Everardo Espina de la O., former director of the National Sugar Industry Commission, was arrested last night by Federal Judicial Police and taken before the Federal Public Ministry to explain his responsibility in a 112 million peso peculation committed between 1980 and 1982.

The former official's arrest took place several hours after the general comptroller of the federation, Francisco Rojas Gutierrez, requested that the Office of the Prosecutor General of the Republic begin criminal action against those allegedly responsible for diverting funds in the amount indicated.

In addition to Everardo Espino--an economist from Chihuahua--five other persons were held to testify before various agents of the Federal Public Ministry, led by the director general of preliminary investigations, Fernando Garcia Cordero.

The audit conducted by the Office of the Comptroller General of the Federation beginning 8 February of this year, showed that Everardo Espino and other officials and employees opened checking accounts in their own names in order to manipulate the funds as they wished without worrying about any verification or accounting records.

The evidence to the office of the prosecutor by the comptroller general are 112 personal checks, 38 of them for 22 million pesos that were paid out in cash, and 74 documents showing deposits to personal accounts totalling 90 million pesos. The latter were made out to the accounts of former officials.

The degree of responsibility of the former director of the National Sugar Industry Commission is not known, but he testified to explain his participation and to define his possible responsibility.

The office of the secretary of the Comptroller General of the Federation and the Prosecutor General of the Republic said that they were not discounting the possibility that more crimes would come to light in the continuing investigations, which might lead to further charges and the broadening of the criminal case.

UNIVERSITY WORKERS END STRIKE AFTER 28 DAYS

FL291616 Mexico City NOTIMEX in Spanish 2105 GMT 28 Jun 83

[Text] Mexico, 28 Jun (NOTIMEX)—After 28 consecutive days of striking, workers at the National Autonomous University of Mexico (UNAM) agreed to lift the strike upon accepting 50 percent of the wages owed to them.

The executive committee of the Trade Union of the National Autonomous University of Mexico (STUNAM) and the authorities of the institution last night signed an agreement putting an end to the strike begun last 30 May to demand wage increases of at least 50 percent, among other benefits.

The strikers' decision was made when authorities refused to give in to their demands, arguing that the nation's largest university had not budgeted sufficient funds to sustain a prolonged strike. [as received]

Moreover, STUNAM was pressured by student guild opposition to the continued suspension of classes, which interrupted study programs at that learning institution comprising 400,000 students in diverse areas of study.

Meanwhile, it still has not been agreed to resume activities at other Mexican universities, and it is hoped that an agreement will be reached similar to the one at UNAM this week.

CSO: 3248/989

PRESIDENT DEDICATES PEMEX DRY DOCK, PLATFORM

FL291445 Mexico City NOTIMEX in Spanish 2120 GMT 28 Jun 83

[Text] Ciudad Madero, Tamaulipas, 28 Jun (NOTIMEX)—President Miguel de la Madrid dedicated here today a dry dock and the "Holkan" drilling platform, two Pemex projects which will be instrumental in saving \$216 million annually to the country.

This dry dock, which is located on the Gulf of Mexico, will be used to repair Pemex ships having more than 55,000 tons of deadweight since its "basin" is 250 meters long, 40 meters wide and 12 meters deep.

Construction costs of this dry dock, which was built entirely by Mexican workers and experts, totaled 5.5 billion pesos (\$36 million).

During his first tour of the northern and southeastern part of the country De la Madrid observed the repair work of the "Monterrey" tanker has been undergoing.

The president hoisted the national flag on board the "Holkan" drilling platform, which is the first of its kind and which will start its protecting activities in the Campeche area, at the "Caan 1" well, first; and then at the "Balan 1" well.

This self-elevating platform can drill 7,000-meter wells, can accommodate 85 persons and has hospital and other basic facilities.

CSO: 3248/990

CHIAPAS PLAN FOR ECONOMIC SOCIAL DEVELOPMENT BEGUN

Mexico City EL DIA in Spanish 13 May 83 p 3

[Text] Tuxtla Gutierrez, Chiapas, 12 May--President Miguel de la Madrid and Governor Absalon Castellanos Dominguez kicked off Plan Chiapas with an outpouring of nearly 100 billion pesos.

The investment goes to support the production of petroleum and natural gas, which is a national priority, and investments will be channeled toward developing agricultural production as well as increasing and maintaining the state highway system.

This is a political plan involving immediate public investments to improve the quality of life, facilitate social integration, and encourage the production potential of the state.

Chiapas today is one of the states most in need of government support to consolidate its integration and face its problems and needs successfully.

Public investment will total 58,499,100,000 pesos, with 52 million pesos for government investments, and 6,498,100,000 pesos for state and municipal investments.

The plan is based upon public investments by state and federal governments and through their multiplying impacts and those of the financial supports to be given by the nationalized bank and development trusts will encourage participation by the private and social sectors in the state's development process.

The government's investments in Chiapas for this year, in line with national priorities and national strategies, are mainly concentrated on energy production.

The Chiapas Plan is centered around the strategy of decentralizing national life, and will be carried out in its regional development programs in 4 areas, toward which 23,501,500,000 pesos will be directed.

In 1983, the state's towns will receive a total of 500 million pesos, of which 400 million will come from the state government and the remaining 100 million from the federal government, through emergency programs for jobs protection.

This program will create jobs in rural and urban areas that are in critical situations; it will also protect production equipment and offer employment opportunities to superior graduating students who must do obligatory social service.

The Chiapas emergency jobs protection programs will receive 275 billion pesos.

Another 300 million pesos will go to migratory services to increase the border stations.

At the meeting on the Chiapas Plan held at the palace of government, state governor Gen Absalon Castellanos Dominguez reported that the first 81 programs are ready to be implemented. Those programs involve 13.339 billion pesos, which will be handled by federal government organizations; 6.498 billion pesos to be handled by the state government; and 24.695 billion pesos to be handled through credits; for a total of 44 billion pesos worth of public investment for the state.

He stated that the plan will relieve tensions and guarantee the rest of the individual and social rights. The state will approach an egalitarian society, he said.

The financial support will encourage economic and social development. It will regulate the ownership of land with strict subjection to article 27 of the constitution, preserving natural resources and broadening the base of production of the state.

Support to the Indian districts will be strengthened, and a campaign to strengthen our national identity with the support of social communication, as well as through a permanent civic promotion to spread the values of being Mexican, the text of the constitution, and the rights and obligations of citizens.

To achieve real democratization, the plan begins with the strict observance of the state of law to guarantee freedoms and assure the respect of all social forces and organizations for the democratic government the people of Mexico have chosen.

The plan attempts to establish a proper system of food production and supply; to support nutrition, the planting of food crops, and the establishment of agroindustries for domestic consumption; and to build rural warehouses for the peasants.

Health and education programs will be strengthened, and support will be given to cooperatives and businesses in the social sector.

The Chiapas Plan will give complete support to the disadvantaged areas, the highlands and the Indian areas of the region. In sum, the plan aims for in-depth development of the area to improve the economic and social situation of nearly 2 million Chiapas citizens.

FOOD PRICES CONTINUE TO RISE RAPIDLY

Mexico City NOVEDADES in Spanish 8 May 83 p 6

[Article by Rocio Castellanos R.]

[Text] Eating meat, vegetables and fruit every day is becoming more and more difficult; in less than a month, prices for these products have increased so that a kilo of poor-quality meat currently costs just over 400 pesos and filet, 800 pesos; a kilo of chiles serranos is 210 pesos; a kilo of tomatoes is 100 pesos; and a kilo of strawberries is 140 pesos.

Basic food items, subject to governmental control are being sold at prices higher than those authorized, as in the case of eggs, and although beans are presently 20 percent or 30 percent cheaper, consumers say that they no longer are making comparisons because the quality is terrible, even spoiled.

Regarding products like evaporated milk, the shortages continue, or perhaps the hoarding, in spite of the close watch the Secretariat of Commerce claims to have on all business establishments.

Price Index

In March, the most recent consumer price index figure announced by the Mexico City Chamber of Commerce, [CANACO] was 4 percent, and the major contributing factors were increases in building materials, medicines, men's socks, and bananas, which increased by 61.3 percent.

The Canaco also said that under the sub-heading of food, there were increases in avocados, 16.1 percent; butter, 12.5 percent; prepared meats, 7.9 percent; and liquor, 6.3 percent.

The April figures are not yet out, nor are those for May--which is barely started--but it must be supposed that, with the increases that have already been noted, and that housewives are the first to feel the effects, there will also be startling percentages there.

A survey yesterday in various markets in the capital area as well as self-service stores, confirmed what is no news to consumers: the price of food has risen so much that the diet of the low-income Mexican is becoming ever more inadequate.

They can buy few fruits, as may be the case with papaya, which costs 35 pesos a kilo, but not so mango or melon; of the former a small one is priced at 100 pesos a kilo, and the latter is 280 pesos a kilo.

Beef, fish, and chicken have become luxury items, the housewives say. They must pay 400, 500, or even 800 pesos a kilo, according to the quality of the product.

Subject to Control

With regard to products subject to government control, those controls are not respected in some stores, and thus a liter of milk is up to 40 pesos; oil is 120 pesos, and eggs, 80 pesos a kilo.

It is difficult to get evaporated milk in self-service stores or groceries.

8587

CSO: 5000/2033A

BRIEFS

COMPTROLLER OF PRESIDENT'S OFFICE—Mexico City, 22 Jun (NOTIMEX)—The Office of the President today added a new post, that of internal comptroller. The new administrative post will force the president's office to more efficiently fulfill government budget control requirements as mandated by the federal government, Emilio Gamboa Patron, personal secretary to the president, stated. Jose Angel Ordonex Cortez was appointed by the president to fill the post of internal comptroller. [Excerpt] [FL241540 Mexico City NOTIMEX in Spanish 0320 GMT 23 Jun 83]

AMBASSADOR TO JAPAN—Sergio Gonzalez Galvez has been appointed ambassador to Japan. He replaces Placido Garcia Reynoso, who will find another foreign service post. [Summary] [PA301757 Mexico City EXCELSIOR in Spanish 10 Jun 83 p 30A]

CSO: 3248/989

LUBBERS ON RELATIONS WITH, FUTURE OF NETHERLANDS ANTILLES

Willemstad AMIGOE in Dutch 3 Jun 83 supplement pp 1,6

[Interview with Dutch Prime Minister Lubbers by Frans Heiligers: "Prime Minister Lubbers on Ebb and Flow; RTC (Round Table Conference) Message: Bury Political Battle Axes"; date and place not given]

[Text] [Question] Until recently the Netherlands did not want to let go its overseas territories. Indonesia and New Guinea were able to free themselves from the Netherlands only after intense armed conflict and international pressure. With respect to Suriname and the Netherlands Antilles the Netherlands subsequently pursued an entirely different course. What was at the bottom of that?

[Lubbers] "In general the right to self-determination or even the duty of self-determination have gradually become clearer. A second remark: I don't believe it is wise to put Suriname and the Antilles on one line. There is always a certain ebb and flow movement in these kinds of matters. After the situation of Indonesia and New Guinea which you described--of a resistant attitude with respect to independence; looking back at history, perhaps pushed too far--it was almost the other way around in Suriname.

"Perhaps there was too great a desire there to assure that independence swiftly. I think we are now getting a movement in the other direction again. A careful weighing of whether everything really ought to be done in such a great hurry in the Antilles.

"But one thing remains unchanged: the fact that setting the speed at which to go toward independence is a decision of the population itself. And I believe that the difference with Suriname lies in the fact that we no longer find it so necessary for us to complete that job, since it really is part of the process of decolonization to leave that question up to the people themselves and we do not want to give a definite opinion on that."

[Question] The party which was the most outspoken on this point, the Labor Party, has decided by way of an inter-party report to slow down a little. Yet here the feeling persists that the Netherlands wants to get rid of the Antilles as soon as possible.

[Lubbers] "That is a misconception. You are quoting that evaluative opinion of the Labor Party correctly. And I am happy about those changes."

[Question] Nevertheless there are Dutch politicians, also in your party, who continue to hammer on that in the Second Chamber: that nothing is happening and that independence still ought to be achieved within a reasonable period of time. That is felt here as pressure.

[Lubbers] "I understand very well that it is felt that way. Perhaps sometimes there is a somewhat blunt remark, but may I say something to counter that? You say: it is felt here as unjust pressure. On the other hand, I believe that if the Netherlands abandons this sort of pressure, it must be clear to the Antilles that in running their own affairs, socioeconomic and other ones, the situation cannot be one of continued reliance on the Netherlands. That, of course, is the danger on the other side. As soon as we say that independence will come some time but that there really is no hurry, a relaxed feeling appears to sweep through the Antilles in the sense of: well, then we'll be able to pass on certain bills and problems to the Netherlands. Look, that would be unjust."

[Question] To quote your party associate Fons van der Stee: not until the end of time.

[Lubbers] "Indeed, no. Not until the end of time. And neither too rapidly. At the Round Table Conference we agreed on a certain schedule. That schedule could have been set a year earlier or later. Certain agreements could have turned out a little differently. But the schedule exists. Then I think one should carry it out together."

Misunderstanding

[Question] That schedule only concerns Aruba. It does not concern the other islands.

[Lubbers] "It also concerns the other islands. I believe there is a sort of misunderstanding in the interpretation of the RTC. What actually happened is that the RTC results first of all ask for a burying of the political battle axes. For not paying so much attention to political problems but more to socioeconomic and educational problems, what I would call problems of substance. Second, within that 1986-1996 period not only the separate-status element is of interest, but also the political, economic and social collaboration between Aruba and the so-called five. For me--and I'd like to say it emphatically--that element is at least as important as the separate status of Aruba.

"And that is also going to be very interesting. For what will happen then? Before 1996 we'll certainly get together to determine how things went in those 13 years. And I still think it possible that, if there is a real desire for cooperation, something will develop which involves the six and not only the one, Aruba."

Mini States

[Question] Has international pressure been exerted on the Netherlands to keep the islands together and to not let them separate into six mini states?

[Lubbers] "No international pressure is needed for that. Simple intelligence suffices. I think it is obvious. Perhaps it was mentioned to us at times, but the Netherlands has never created the impression that we were aiming at delineating a separate course of development for each island. The fact that we are now discussing the separate status of Aruba once again not only involves the position of Aruba, but much more strongly the need to create a framework of normalization of political relations in the islands, the six."

[Question] In that respect one is thinking of a "solidarity fund" for the desired cooperation between the six islands. But Curaçao, for example, has made it very clear at the RTC that it cannot bear the burdens for the small islands alone. The island doesn't want to be forced to do that either, otherwise it will go its own way. That cooperation could hardly be any more unstable.

[Lubbers] "Nevertheless, I see a problem there. A double problem even. First the claim which is made on the Netherlands. Out of tradition. If there is an additional problem, the Netherlands should contribute first. I think that opinion is wrong. Number two. A pertinent, very practical problem. The complicated structures with respect to the separate status threaten to create additional costs. And those ought to be taken care of jointly. A third remark: let's not exaggerate the problem. For a number of years it seemed that the six were indeed possible. And that the means necessary for elementary solidarity for the small islands were relatively limited. Thus we should not exaggerate matters."

[Question] However, that's exactly where the weak perspectives for the future lie.

[Lubbers] "It is a difficult matter and there will still be considerable discussion. But I want to stress the two principal elements. One: if one does not want a separate development for each island--and who really wants that?--then one ought to do something together, of course. Read the solidarity fund, or whatever you want to call it. Two: the scope of those problems can really be managed, in my view."

Grandiloquent

[Question] Because of this, the future is anticipated with concern, especially by the small islands. Mr Will Johnson of Saba made that very clear at the RTC.

[Lubbers] "Grandiloquently, indeed. I do remember that."

[Question] What will happen if later on the islands say: The Netherlands has recognized the right to self-determination for each of the islands. We will use that right by proposing to stay with the Netherlands. Is that possible?

[Lubbers] "Theoretically, yes. But just now we talked about simple intelligence. It would indeed be very difficult, wouldn't it?"

For a few minutes there is silence.

[Lubbers] "I find that approach too self-defeating. As if it is already sure that no possibilities of cooperation exist between the Antilles as they are now."

"Should such a break arise--and the Netherlands will certainly not promote that; on the contrary, we will promote something else--then you'll get a material separation between the windward and leeward islands. In that case the Netherlands has a separate responsibility for the windward islands within the realm. How that responsibility will take shape is another matter, of course. But of course we cannot close our eyes and say: they are such small islands, we're not concerned. Of course we are concerned."

Simple Intelligence

[Question] The Netherlands once threatened it could itself make use of the individual right to self-determination, for example to break away from the Antilles at such a moment. Is that also theoretical?

[Lubbers] "That is theoretical."

[Question] So here we have again that previous "simple intelligence"?

[Lubbers] "Indeed. One should look at what ought to be done based on the situation. But we will look at it in any event and not blindfold ourselves."

[Question] The fear for the political future of the islands is based on experiences in the direct Caribbean environment, in particular on what took place in Suriname. What lesson did the Netherlands learn from the Suriname adventure? Especially with respect to the future of the Antilles. For example, has the Netherlands not placed too much emphasis on political matters and on institutions which will grow into instruments of power after independence?

[Lubbers] "I don't know if that emphasis is so strong. I just introduced a relativity in the fulfillment of that independence. That is the time element. I believe time is necessary for those matters. One has to grow in that direction. Two: that is true in particular for the six islands. That the fulfillment [of independence] should be maintainable in a practical manner. Not only on the day of independence but also afterward. That is to say, for the 3 and the 13 years we should have fixed agreements. You are now putting forward a number of hypothetical situations. I cannot answer all of those in detail. But I believe that if the main lines are kept in mind, we will bring it off."

Clean Hands

[Question] The impression has been dominant in the Antilles that the Netherlands wants to throw off the colonial yoke and thus get rid of the Antilles in order to be able to appear before the international forum with clean hands. What is more important, that image of the Netherlands or the future of $\frac{1}{4}$ million Antilleans?

[Lubbers] "The future of $\frac{1}{4}$ million Antilleans."

[Question] How will that be given substance?

[Lubbers] "We don't have the desire at all to come with clean hands, as you call it, next year. Namely, we do not feel guilty for the fact that we are present in

the Antilles through our joined involvement in the Realm. I have no guilt complex whatsoever over that. Only, I think it is good to repeat every time I am here: together we are part of the Realm of the Netherlands. It is not a type of responsibility of the Netherlands with respect to the Antilles. It is just as much a responsibility of the Antilles for the Netherlands. We are equal partners. And we continue based on that relationship. You should absolutely not have the idea that I would find myself a successful prime minister only if I were to get independence settled here. It must be a good one."

Hot Issue

[Question] The Antilles problem is not a hot issue in Dutch politics. Therefore things could go so far that a development could be chosen which is less desirable for the islands. Wouldn't it be better to impress upon the Dutch community that it would be more fitting to show more solidarity, also with the populations of Suriname and the Antilles?

[Lubbers] "First this. The political developments of the Antilles are not a hot issue in the Netherlands now because we have a successful RTC. If the RTC had failed--I made that clear at the time--it would indeed have become a hot issue, in the sense that a breach of faith would have come about. Because then it would have been explained as the lack of political desire in the Antilles themselves to arrive at a justified development. But fortunately we were able to prevent all that. We have a successful RTC. Therefore the political profile of this problem is low at present in the Netherlands. That also creates the necessary peace to develop the RTC agreements in a sound manner. I think we should be careful not to speak too much about alternatives."

[Question] Doesn't the RTC accord leave too many gaps, through which, after achieving the separate status of Aruba, all sorts of things will be possible again?

[Lubbers] "Certainly not. The RTC leaves very few gaps. Some people who do not like it will probably try to replace things which are now clear on paper in order to subsequently renegotiate them again politically. I still remember very well how difficult various participants found it to accept certain things. And although they found it difficult at the time to say yes to certain things, they should not say they were wrong after the fact."

[Question] Political matters have strongly dominated the past few years. The socioeconomic aspects for the future have hardly come up for discussion. How can that be balanced better?

[Lubbers] "Explained very simply: no political games, no interpretative discussions on RTC agreements, simply carrying out everything succinctly. And for the rest: paying much more attention to a joint approach of socioeconomic problems. For, in view of the economic problems there are now--on one island they may strike earlier or more seriously than in another--that is the first priority."

Guarantees

[Question] The past few days various problems have come to your attention. Which priorities would you give if you were prime minister here?

[Lubbers] "I know what I would do, but I won't say it. I am not prime minister here; I have complete faith in my friend Don Martina, but I won't sit in his seat."

[Question] You spoke with representatives of various sectors of the community. Amongst others, with representatives of locally established Dutch industries. Might one deduce from that that a certain fear for the future exists there and that guarantees are desired from the Dutch Government? Can the Netherlands offer them guarantees?

[Lubbers] "None at all. No special guarantees for any group whatsoever. A general attitude of joint responsibility, and that is it."

[Question] Your experience is limited with respect to the Antilles. Nevertheless, as minister of economic affairs in the Den Uyl cabinet some years ago, you did business with your then Antillean colleague Richard Pieterella on the taking over of shares of the defunct company NCM and the founding of the new company NAC in Curaçao. Now we are once more up against Dutch companies whose finances have to be straightened out and once again the Dutch Government is called upon because things aren't going well. In which way can the Netherlands actively help the Antilles to tackle those socioeconomic problems?

[Lubbers] "When Pieterella and I did business it was spring. Maybe even summer. Now it is winter. It is the time of empty pockets. There is no possibility to find timely solutions in the Netherlands for any company here whatsoever. These past days I have mentioned here and there in the Antilles that that is an illusionary policy. The Netherlands certainly has a responsibility toward the Antilles. But it is not as if a pot of money were waiting somewhere in the Netherlands which can be used for solving specific problems over here."

[Question] About that pot of money. Can the pot of Dutch development funds for the Antilles be used at a certain time to push the Antilles in a certain direction, toward independence for example? In Suriname that pot is used to promote respect for human rights. . .

[Lubbers] "I understand your question. I don't believe that, however. I do not think that the Netherlands should use the amounts in the framework of development cooperation as a wedge for certain views one has with respect to the policy to be pursued here. That would be intervening in the internal autonomy. Relations between the various governments are very amicable. With open lines. In the discussions here I have not concealed my views on various matters. You'll understand that I must be a little more restrained in this type of interview. In conclusion I wish to state very emphatically that I do not believe that the amounts of money which continually flow from the Netherlands to the Antilles should be used as a wedge for the policy to be pursued. That would be an erroneously directed intervention. Instead, each of us should have his own responsibility."

Precedent

Until now the Netherlands has never used the aid funds to promote certain political developments on the islands. But it sometimes has used those aid moneys to

promote developments in the socioeconomic and financial-economic domain. Former Minister Fons van der Stee of Antillean Affairs sent a letter to then prime minister Boy Rozendal in 1979 which plainly stated that the money tap would be shut off if the government policy were not drastically changed. No matter how grim one might find the policy of the Rozendal Cabinet, from Prime Minister Lubbers' words one is now to understand that he interprets Van der Stee's action at the time as intervening in Antillean affairs.

But Prime Minister Lubbers did not say that the Netherlands would "never" do it. Upon his first arrival in Curaçao on 21 May he stated at a press conference: "A politician doesn't easily say never." In other words, he leaves a way out for an escape when the moment arrives. The precedent has already been set.

8700

CSO: 3214/38

REPORTAGE ON SHINING PATH ACTIVITIES

Terrorist Casualties

Lima EL COMERCIO in Spanish 1 Jun 83 p All

[Excerpt] Ayacucho, 31 May--Police killed 59 extremists during several encounters between 27 May and 31 May in the provinces that are declared in a state of emergency. This was announced this afternoon in Communique No. 53 of the Military Political Command, Substation E.

The casualties are members of Shining Path, the Communist Party, the Maoist-Leninists, and so forth.

Terrorist School Discovered

Lima EL OBSERVADOR in Spanish 4 Jun 83 p 6

[Text] Police discovered a terrorist "school" called Jose Carlos Mariategui in Ayacucho, the leaders of which, it was reported, took active part in the terrorist actions last 20 May in the city of Huamanga.

That was reported in an official communique from the Military Political Command in the Zone of Emergency.

The terrorists who spread ruin in the provinces of La Mar and Huanta were also arrested. The arrests were made by police. The terrorists were members of the PCP-SL-MLM [Peruvian Communist Party-Shining Path-Marxist-Leninist Maoist] which has actively participated in acts of terrorism according to the police command.

It was reported that during the discovery of the terrorist school, police arrested terrorists who had taken part in the actions in the city of Huamanga on 20 May 1983, concentrating on the headquarters of the Ninth Command of the Civil Guard.

Members of the gang included Jorge Chavez Marquez (22), a university student; Alberto Coronado Lozano (26), student; Edmundo Arana Lozano (24), student; Placida Janampa Lozano (24), student; Irma Ruiz Cardenas (20), student; Juana Mendoza Rojas, (26) clerk at the Magdalena market in Huamanga; Carlos Lozano Pretell (28), clerk; Roberto Rayne (28), unemployed; and Favio Rayne Ccesa (20), unemployed.

The police also arrested 11 other members of the PCP-SL-MLM, both men and women, some of them minors, who took part in various other actions, such as blowing up bridges, dynamiting, and so forth.

The majority of those arrested attended the San Martin de Porres-Tambo secondary school, and the authorities say that, through their statements, it has been possible to identify other members of the group that calls itself "Popular Youth Movement."

All those arrested will be turned over to judicial authorities for penal action.

Uchuraccay Witnesses Killed

Lima LA PRENSA in Spanish 5 Jun 83 p 7

[Text] Ayacucho, 4 June (LA PRENSA)--Another key witness to the slaughter of eight journalists in Uchuraccay died, deepening speculations. The Military Political Command of the Zone of Emergency today confirmed the death at terrorists' hands of Marcia Galvez, wife of Fortunato Gavilan, lieutenant governor of this remote community of Ayacucho.

During the first half of May, it was reported that Celestino Ccente Figueroa had died of a colic. He was foreman of the Uchuraccay farming community, and was one of those accused of the journalists' massacre. Ccente Figueroa was arrested and was released after 10 days, when he returned to his community. Days later it was revealed that he had died.

At the moment the whereabouts of Fortunato Gavilan, lieutenant governor of Uchuraccay, is unknown. Gavilan is another of the key witnesses in the tragic case. Gavilan is said to be in the jungle.

Peasant Casualties

Lima LA PRENSA in Spanish 5 Jun 83 p 7

[Excerpts] Ayacucho, 4 June (LA PRENSA) Twenty-six humble peasants were the victims in several parts of the department between 22 May and 3 June, according to an official communique from the Military Political command of the Zone of Emergency in Ayacucho.

"The majority of the victims are women, children, and the elderly, who refused to submit to the acts of barbarism being perpetrated by the terrorists in the Marxist-Leninist-Maoist group that calls itself Shining Path", the communique (No. 56) adds.

The crimes took place in the provinces of Huanta, La Mar, Victor Fajardo, and Ayacucho.

High Voltage Towers Dynamited

Lima LA PRENSA in Spanish 5 June 83 p 4

[Text] Fifty-eight high voltage towers dynamited and losses to Electro-Peru of over 4 billion soles is the "fruit" of the crazy action by the proscribed Maoist group known as "Shining Path" between 1980 and the present.

About 1.2 billion soles has been invested in repairs to the towers alone, and counting the electricity not sold, the cost rises to over 5 billion soles.

In the Mantero system, Shining Path has dynamited 42 towers, plus 16 others in the systems of the Aricota (Tacna) and Machu Picchu (Cuzco) generating plants. It should be pointed out that that figure rises considerably since Electrolima has had 15 towers blown up.

In 1980 there were 5 towers dynamited; in 1981, another 9; in 1982 there were 19 attacks, and in this year alone there were 9 towers dynamited. Last May broke the record with 7 towers.

The transmission towers most affected include the Mantaro-Pisco line with 17 towers dynamited; the Mantaro-Lima line, with 19; the Lima-Chimbote line, with 9, and the Lima-Pisco line, with 3 structures blown up.

An odd fact: yesterday President Belaunde dedicated the Mantaro-Pachachaca-Callahuan transmission line, but last May two of its towers had already been dynamited.

Moreover, the Huancayo area was the most affected area, with nine towers blown up there; it is followed by Huancavelica with seven; then Huaral with four; Mantaro with three; Puente Piedra with three; and Lima had seven towers exploded.

In the Mantaro-Lima system, the terrorists brought down tower 211 twice. The first time was on 13 December 1981 and the second time on 15 November 1982.

8587

CSO: 3348/460

BRIEFS

SENATOR ON MAYORAL ELECTIONS—Popular Action [AP] Secretary General Senator Javier Alva Orlandini stated yesterday that PPC [Popular Christian Party] leader Luis Bedoya Reyes would be "the best candidate for mayor of Lima," although he admitted that a joint decision by the two parties to nominate a single candidate for the November elections has not been reached yet. Alva Orlandini also said that Bedoya Reyes had recently met with President Belaunde, but he did not know whether this subject in particular had been discussed. "In my opinion, should Dr Bedoya Reyes accept the nomination, he would be the ideal candidate. There would be no reason for the AP members not to vote for such an efficient man," he stressed. Alva Orlandini said, however, that AP has enough able candidates and that the victory of the ruling party is taken for granted, no matter if it is through an AP candidate or an independent candidate. He was obviously referring to Dr Alfonso Grados Bertorini. [Excerpt] [PY302053 Lima EL OBSERVADOR in Spanish 17 Jun 83 p 3]

CSO: 3348/492

TOBAGO CONTINUES EFFORTS TO CARVE OUT AUTONOMOUS ROLE

Implications of Assembly Bill

Port-of-Spain TRINIDAD GUARDIAN in English 6 Jun 83 p 3

[Text]

MORE THAN 50 civil servants, employed at Tobago House of Assembly, stand to lose two years of service, if a constitutional motion before Parliament is not given retroactive effect. The motion, which has already been passed by the House of Representatives, seeks to bring public offices in the Assembly within the jurisdiction of the Public Service Commission (PSC).

But unless the amendment to the Constitution being sought is made retroactive to the date of the coming into existence of the Assembly, civil servants affected will lose their service for the period in between.

"They just would not have existed during that period, as far as the law is concerned", said Dr. Jeff Davidson, Deputy Chairman of the Assembly, yesterday.

So far, however, the Attorney General, Senator Russell Martineau, had resisted this suggestion by the Assembly to have the amendment made retroactive, said Dr. Davidson.

"Our member of Parliament, Miss Pam Nicholson, when the matter was laid in the House of Representatives, pointed out to the Attorney General the problems which will arise, if the legislation is not made retroactive," he said.

"In fact, she even moved that the clause: 'this amendment shall be deemed to have had effect from September 23, 1980' be inserted in the legislation," said Dr. Davidson, adding.

"But the Attorney General did not accept the proposals, explaining that they could always come back to Parliament to correct the situation, if necessary."

CEASED TO EXIST

"That's ridiculous," said the Deputy Chairman.

The situation arose when, in September, 1980, the Tobago House of Assembly was created, taking

over the functions and staff of Tobago County Council. That meant that all public servants, then employed by the council, became staff of the Assembly.

But constitutionally, from that date, they ceased to exist as civil servants, for the PSC, which has jurisdiction over all public servants, could not under the law recognise either the Assembly or its employees.

"The PSC simply could not do this, because when it was created constitutionally, the Tobago House of Assembly did not exist," explained Dr. Davidson.

"That meant that the old county council public servant ceased existing as civil servants." He went on: "In fact, they were all assigned to the Assembly in acting posts, and many of them, in the two years interim, have lost promotional opportunities, because, as I said, the PSC, which promotes civil servants, could not legally recognise them."

After two years of debate and arguments, Government moved to correct the situation, by seeking a constitutional amendment to include the Assembly among the bodies over which the PSC had jurisdiction.

"But it seems logical to us, that unless the amendment is made retroactive, civil servants in our employ will remain in No Man's Land for the two years between the creation of the Assembly and the passage now, of the constitutional amendment," said Dr. Davidson.

The motion has already been passed by the House of Representatives, but Dr. Davidson and the Assembly are hoping when it comes before the Senate, probably this week, the Attorney General would see the logic of their arguments and insert the retroactive clause, which Rep. Nicholson sought, unsuccessfully, to have included in

the Lower House.

"And what must be borne in mind in all this," said Dr. Davidson, was the fact that "we in the Assembly and the unions, including the PSA, which represent the workers, were not consulted on the draft of the legislation which was taken to Parliament".

Senate Defeat of Bill

Port-of-Spain TRINIDAD GUARDIAN in English 8 Jun 83 p 1

[Text]

A GOVERNMENT Bill to amend the Constitution of Trinidad and Tobago aimed at regularising the appointment of public officers to the Tobago House of Assembly (THA) was defeated in the Senate yesterday.

This rare occurrence took place when the government side failed to muster the two-thirds majority (21) required to see the Bill through.

The result of the division among members present showed 18 voted in favour; four against with two senators (Gerald Furness-Smith and Lincoln Myers), abstaining.

Debate on the proposed measure generated lively discussion with Attorney General and Minister of Legal Affairs, Senator Russell Martineau, being subjected to intense questioning from Opposition and Independent members.

A story on the situation which appeared in the "Trinidad Guardian" on Monday, was also featured in the debate.

Opening the second reading of the Bill entitled "An Act to amend the Constitution of the Republic of Trinidad and Tobago," Senator Martineau said basically it was designed to correct the situation where even though the Police Service Commission (PSC) assigned public servants to the THA, the PSC had no power to appoint the officers to the Assembly.

The measure was also as a result of discussions government officials had with representatives of the THA and the amendment should go a long way towards alleviating some of the problems at the THA, particularly staffing.

Independent Senator Ashford Sinanan interrupted the AG to ascertain if the Bill would make the measure retroactive.

'GUARDIAN' QUOTED

Senator Martineau said after consideration there was no need to do so at this time. Government was prepared to deal with any case of affected employees when that time should come.

Independent member Olive Sawyer referred the Upper House to the "Trinidad Guardian" story in which it was stated that 50 employees would be affected, if the measure was not made retroactive.

As the Attorney General pleaded ignorance of the story, Senator Sawyer passed the paper on the Attorney General who after reading the article, said it contained a fundamental error.

It was not true to say that the public officers who were assigned to the THA were no longer considered public servants.

He stressed they would not lose pension, promotional opportunities and other benefits.

Senator Sinanan suggested a clause stipulating that where anomalies existed the affected would be covered by retroactivity instead of having to come "one by one" to the Parliament to correct any anomalies.

Opposition Senator Waffie Mohammed expressed surprise that the AG had to get information from the "Trinidad Guardian", and the Bill should be withdrawn until the AG properly investigated the situation.

But the Senate's Vice-President Dr. Emru Millette, who was in the chair yesterday said he understood the Attorney General to say he was not aware of the matters contained in the story.

Senator Martineau re-emphasised:

"There will be no loss of status as far as I understand. They are still considered public servants. They did not cease to be public servants.

"They will continue in their status, therefore I cannot see the need to make it retroactive... they will have continuous service...there will be no break in their service..."

NEXT SESSION

Acting Opposition Senator Karl-Hudson Phillips asked what specific posts on the THA establishment were they paid. The AG said he did not have that information at hand

but they were paid as public servants.

Independent Senator Louise Horne said the concern of the staff was understandable and suggested they should be given a letter clarifying their situation and that letter should be placed on their respective files.

When voting time came Senator's Alwin Chow, Louise Horne and Hudson Phillips were not in the chamber.

Senator Hudson-Phillips was having tea, Senator Horne later explained to government members she was sorry to have missed the voting and had she been present would have voted in favour.

Questioned after the session, an obviously disappointed Senator Martineau felt the Bill could not be brought back until the next session

of the Upper House.

Leader of the House, Senator Carlton Alert, said that was not likely until early next year.

Those who voted against were Senators Brinsley Samaroo, Hilton Clarke, Sahadeo Basdeo and Waffie Mohammed (Opposition).

In the Lower House (House of Representatives) the Opposition voted in favour of the Bill.

The breakdown in the 31-member House is as follows: 16 government six opposition and nine independents.

Second reading of the Land Tenure Bill was deferred while easy passage was given to another Bill amending the law relating to Customs Duty Purchase and Betting Office Fees.

The House was adjourned to a date to be fixed.

Assessment of Vote

Port-of-Spain TRINIDAD GUARDIAN in English 13 Jun 83 p 3

[Text]

SCARBOROUGH:

DR. JEFF DAVIDSON, Deputy Chairman of the Tobago House of Assembly, has blamed the "intransigence" of two Government Ministers for the rejection by the Senate on Tuesday of the Constitutional motion which aimed at regularising the appointment of public officers to the staff of Assembly.

These Ministers, said Dr. Davidson, are the Attorney General, Senator Russell Martineau, and the Minister in the Ministry of Finance, Senator Anthony Jacelon.

"The Assembly puts full blame on their intransigence in not making the amendment of the Constitution retroactive to the date when the Assembly came into being," he said.

The Bill, which sought to amend the Constitution to permit the Public Service Commission to appoint staff to the Assembly, was defeated when the Government failed to get the two-thirds majority necessary for its passage.

Four Opposition Senators voted against it while two other Senators abstained.

HOUSE DISTURBED

"The Tobago House of Assembly is profoundly disturbed that this Bill has been thrown out", Dr. Davidson told the "Guardian" on Saturday.

"This means that some of its monthly paid employees will be suffering a period of uncertainty until the matter is attended to again."

The "Guardian" understands

that 87 workers are affected.

The Deputy Chairman said that the issue dated back to September 23, 1980, the date on which the Assembly came into existence and the old Tobago County Council made defunct.

"The posts which the former public officers who occupied those posts were not similarly transferred to the Assembly," he explained.

"Therefore it means that any attempt to correct the anomaly now must be dated to the time when the anomaly started which is September 23, 1980.

"Whatever measure is adopted now to move the public officers from the former positions to the Tobago House of Assembly must take into consideration that period from September 23, 1980.

"This is why the House of Assembly has been insisting that in giving the Public Service Commission the authority to treat the officers in the Assembly, that authority must extend from the date on which the Assembly came into being, so that they can remedy the situation now existing where the former County Council public officers are in the Assembly without authorisation," said Dr. Davidson.

ULTERIOR MOTIVE

"It would appear in the face of this evidence that there is some ulterior motive for the Central Government not wanting to make the amendment retroactive and what is disturbing to us is that had dis-

cussions been held with the Assembly, the Public Service Association and the Public Service Commission, these facts would have been highlighted and the movers of the motion would have seen the necessity for making it retroactive," he said.

Arguing his point, Dr. Davidson referred to Section 42 (a) of Act 25 of 1982 (Amendment to the Tobago House of Assembly Act) which

states: "Persons who, before the commencement of this Act, were daily rated workers of their former County Council are hereby transferred to the Assembly."

"This measure," he said, "was taken retroactively, for Section II of the same Act reads: 'This Act is deemed to have come into operation on September 23, 1980' — that is, on the date the Assembly came into

existence."

"The questions is why does the Government refuse to do the same thing for the monthly paid officers in a similar situation as it has done for the daily rated workers?" asked Dr. Davidson.

"Because of their stubbornness in this matter the workers will be left in their state of uncertainty for another several months," he said.

Call for Early Reconsideration

Port-of-Spain TRINIDAD GUARDIAN in English 14 Jun 83 p 1

[Text]

SCARBOROUGH:

THE GOVERNMENT does not have to wait six months to bring back to Parliament the constitutional motion dealing with the Tobago House of Assembly, which was rejected by the Senate last week Tuesday.

This is the opinion of Mr. A.N.R. Robinson, Chairman of the Assembly who referred to Section 65 of the Constitution to prove his point.

It was apparently the same section being used by spokesmen for the Government who said the Bill cannot be taken back to Parliament for another six months.

But Mr. Robinson, a barrister-at-law, stressed that the Bill cannot be taken back to Parliament "only if it is identical to the former Bill which was rejected by the Senate."

'SIMPLE AS THAT'

"But in this case all the Government needs to do is to insert the retroactive clause which the Assembly has been seeking and the Bill no longer is the identical Bill that was rejected. It is as simple as that," he said.

However, sub-section 8 of the same section 65 appears to be even more appropriate to the present case, said Mr. Robinson. That sub-section reads: "The provisions of this section (dealing with the six months time limit) shall not apply to a Bill for an Act which is required by Section 13 of Section 5 (U) to be supported as the

final vote thereon in the Senate by votes not less than three fifths or two thirds respectively of all members of the Senate.

"It is clear," said Mr. Robinson, "that the Bill which was defeated in the Senate last Tuesday was such a Bill. It required 23 of the vote of Senators for its passage and failed because it did not get that two-thirds vote," he said.

Therefore, he added, it did not come under the provisions of those Bills which needed a six months time lapse before being re-introduced into Parliament.

The defeated Bill sought to amend the constitution to permit the Public Service Commission to appoint staff to the Assembly.

Because this cannot be done now, the Assembly is complaining that its progress at work is being seriously affected by a shortage of staff.

In addition, it argues that until such a Bill is passed, this retroactivity to September 23, 1980, the date on which the Assembly came into being, the present 87 public servants working with the Assembly will continue to be there in acting posts since the Public Service Commission cannot legally appoint them to any Assembly post.

Mr. Robinson said yesterday he hopes the Government would take the necessary steps to have the matter taken back to Parliament as urgently as possible and this time with the retroactive clause attached.

Government's Response

Port-of-Spain TRINIDAD GUARDIAN in English 16 Jun 83 p 1

[Text]

SCARBOROUGH:

SENATOR Anthony Jacelon, Minister in the Ministry of Finance with responsibility for Tobago, said yesterday that the Tobago House of Assembly Chairman, Mr A.N.R. Robinson, was "totally wrong" when he said that the government does not have to wait until the next session of Parliament to re-introduce the constitutional motion which was defeated in

the Senate last week.

Speaking from his office in Scarborough, Sen. Jacelon said section 65 of the Constitution which was quoted by Mr Robinson to support his contention was not applicable to the particular case.

Sen. Jacelon said that section 65 says: "That subject to the provision of the Constitution each House may regulate its own procedure." And Rule 62

of the Standing Orders of the Senate states specifically, "Any bill containing substantially the same provisions as a Bill that has been rejected by the Senate cannot be re-introduced in the Senate at the same session."

This was the authority quoted last week by Senator Carlton Alert in Port-of-Spain when he said that the rejected Bill had to wait until the next session of Parliament to be re-introduced.

TIME LIMIT

Mr Robinson had argued first of all, quoting the first three sub-sections of section 65 of the Constitution, that only "an identical" Bill could not be returned to Parliament in the same session in which it was defeated in the Senate.

And he had suggested that if the Government introduced the retroactive clause to the Bill which the Assembly was seeking, that would make it different and not identical Bill.

However, Sen. Jacelon, like Mr Robinson a lawyer, disagreed that inclusion of the retroactive clause would make the Bill different.

He stressed that the Standing Orders dealing with the point had spoken of "any Bill containing substantially the same provisions and in his view made inclusion of the retroactive clause would not make it "substantially different."

The substantial provisions of the particular Bill, Sen. Jacelon explained, was to amend the Constitution to allow the Public Service Commission to appoint staff to the Tobago House

of Assembly. Those provisions would not change, he said, by the addition of the retroactive clause.

Mr. Robinson had also quoted sub-section 8 of section 65, which said: "that the provision of the section shall not apply to a Bill which needed three-fifths or two-thirds majority vote in the Senate for its passage."

But Sen. Jacelon disagreed also with this. He said that the provisions of the sub-sections waived by sub-section 8 dealt with Bills, which, having being passed in two sessions of the House of Representatives and rejected by the Senate for a second time, could then be sent to the President for assent, despite the rejection by the Senate.

However, sub-section 8, said Sen. Jacelon, sought to exclude any constitutional Bill, needing three-fifths or two-thirds majority vote, but from being sent directly to the President for his assent, despite rejection by the Senate in two sessions.

"In other words, what sub-section 8 is saying is that you cannot bypass the provision for a two-thirds or three-fifths majority vote and go straight to the President in the event the Senate rejects the Bill twice," said Sen. Jacelon.

The minister said that the section quoted had nothing to do with the time limit for re-introducing a Bill after it has been defeated.

That, he said, is controlled by the Standing Order of the particular House of Parliament and, in the case of the Senate, it is clear that a Bill with substantially the same provision of a Bill which has been defeated cannot be re-introduced at the same session of the Senate at which it was defeated.

School Feeding Fund Problem

Port-of-Spain TRINIDAD GUARDIAN in English 7 Jan 83 p 11

[Text]

SCARBOROUGH:

GOVERNMENT has not yet released any funds for the \$4.5 million school feeding programme which the Tobago House of Assembly hopes to start for the new school year in September.

"We have no money to operate with," said an assembly source connected with the programme. "There is very little we can do without money."

However, the source conceded that maybe Government was waiting for the finalisations of a consultancy agreement between the

assembly and the State-owned School Nutrition Company at Chaguaramas.

These negotiations became bogged down when the assembly balked at what it described as "ridiculous and exorbitant fees" being asked by the company for its top officials who would be engaged in advising the assembly.

The assembly made counter proposals which, instead of flat fees, suggested that displacements allowances, subsistence and expense be paid for the company's officers.

School Bus Plan

Port-of-Spain TRINIDAD GUARDIAN in English 13 Jun 83 p 6

[Text]

SCARBOROUGH:

THE TOBAGO House of Assembly wants to establish its own school 'bus shuttle system, costing \$1.8 million. Dr. J.D. Elder, Secretary for Education in the Assembly, said yesterday that at the moment there are about 800 secondary school students who suffer tremendous hardship getting to and from school.

"There is a limited school 'bus service operated by the Public Transport Corporation," explained Dr. Elder. "But this caters only for students attending Bishops High School, the Signal Hill and the Scarborough secondary schools."

Primary school students, he said, were much better off for they do not have to travel far distances, since in most cases, they attend schools in their own villages.

"But it is different with the secondary students who have to travel from the rural areas to get to secondary schools, particularly the privately run secondary schools," he said.

The Assembly therefore proposed to acquire eight vehicles to run shuttle services on eight routes....

four in the Leeward side of the island, and four in the Windward.

Dr. Elder said that the eight vehicles sought by the Assembly were estimated to cost \$360,000, with another \$50,000 for their annual maintenance.

Plans call for the erection of three garages at Charlotteville, Roxborough and Scarborough, at \$100,000 each. Wages for drivers, mechanics and conductors have been put at \$1,134,210 annually.

The service, said Dr. Elder, will be operated at very low fares, "much, much lower than the students now have to pay for taxis in the absence of a proper school 'bus service."

School children, he said, are seen stranded on the roads in Tobago daily in their attempts to get home.

"Many times the police have had to stop and rescue some of them."

"They are stranded in the rain," he added.

Government-Assembly Dispute

Port-of-Spain TRINIDAD GUARDIAN in English 10 Jan 83 p 18

[Text]

SCARBOROUGH:

MR. HORACE BAILEY, Permanent Secretary in the Central Administrative Services, Tobago (CAST), has stated that he has not yet received a reply from Mr. A.N.R. Robinson, Chairman of the Tobago House of Assembly, on the allegation that junior Government officers are promoting disunity between the Government and the Assembly.

"I am still awaiting the names of those junior officers and the events and circumstances in which they were involved," he said.

Mr. Robinson had made the charge at the public opening last month of a section at the Claude Noel Highway. He called on Mr. Bailey, who was present, to take action.

Mr. Bailey the following day wrote to Mr. Robinson through the Clerk of the Assembly asking for names of officers involved and details of the incidents.

Mr. Robinson said last week that the Clerk of the Assembly, had re-

plied "documenting the allegations to the Permanent Secretary" and as a result of a memorandum received from the Permanent Secretary, he, Mr. Robinson, proposed to refer the matter to the Public Services Commission (PSC).

"The Clerk of the Assembly has not replied naming the officers involved, or giving the circumstances or involvement," Mr. Bailey insisted.

"I am very concerned about clearing the names of my staff and the name of the department as a whole," he said.

"I am still awaiting those names," he added.

Commenting on Mr. Robinson's statement that he intended to refer the matter to the Public Services Commission, Mr. Bailey said that even if Mr. Robinson did this, the matter would still have to be referred to him as Permanent Secretary and head of the Civil Service in Tobago.

SPECIFIC DUTY

"The Permanent Secretary must hold preliminary investigations into any charge against the civil servant" explained Mr. Bailey. "Under regulation 90 of the Public Service Regulations 1966, I have to appoint an investigating officer to investigate the charges and then the matter is referred to the Public Services Commission. The Permanent Secretary has a specific duty to perform under the law," he stressed.

Tourism Development Needs

Port-of-Spain TRINIDAD GUARDIAN in English 11 Jun 83 p 6

[Text]

SCARBOROUGH:

ONE OF THE biggest constraints to the development of tourism in Tobago is the absence of an international airport and a harbour able to accommodate large cruise ships.

This point came over loud and clear at a conference on tourism the report of which was tabled in the Tobago House of Assembly last week.

The Trinidad and Tobago Tourist Board, which presented a paper at the conference, felt that "the principal infrastructural bottleneck to tourism development in Tobago is the Crown Point Airport."

"This airport is at present inadequate to satisfy the heavy demands that a vibrant tourist industry will bring about."

"Hence, until Tobago is provided with an airport of international standards, tourism on the island will most likely remain seasonal and consequently year-round occupancy rates will be low," said the Board.

"If it is intended to develop the island as a more attractive tourist destination, it is imperative that the Crown Point Airport should be able to receive direct flights from international locations and therefore a new airport terminal should be constructed and the runway facilities extended."

The board also commented on the "lack of proper berthing and terminal facilities for cruise ships" at the Scarborough Port.

It conceded, however, that this is a problem which has been affecting both Trinidad and Tobago and cited statistics to show that cruise passenger traffic to both islands dropped from 47,770 in 1975 to 20,720 in 1979, with fluctuating totals in 1976 (56,000), 1977 (75,290) and 1978 (65,740).

INADEQUATE FACILITIES

"This situation is due to basically the inadequate port facilities, uncertainty of berthing, the unpalatable dock environment for cruise ship passengers, the increased cost of travel consequent on the rise in price of marine oil, rumours of domestic disease outbreaks and the lack of proper incentive packages," said the Board.

"The cruise ships bring with them hundreds of holiday visitors who contribute to foreign exchange earnings. The development of the cruise ship market, is essential as the revenue foregone is too high," said the Board.

The Trinidad and Tobago Chamber of Industry and Commerce which also presented a paper at the Conference, said that Tobago problem started "with getting to Tobago. The Piarco terminal for departure to Tobago is very inadequate in every respect. Its expansion and modernisation should be a matter of top priority."

The Chamber paid tribute to the BWIA Airbridge which, in 1981, moved 681,226 people between the two islands.

The Chamber described this as "a very reasonable subsidised cost of \$40.00 return."

However, it felt that the "service leaves much to be desired as regards facilitation of passengers, procedures as well as punctuality."

These inadequate conditions, said the Chamber, exist at both the Piarco terminal as well as the one at Crown Point.

Very often, it said, passengers arrive at the airport an hour in advance of departure to find that the flight has been delayed for an hour, or even two.

"So one spends two to three hours at a joyless airport for a 12 minutes or 20 minutes flight," said the Chamber. "It is this aspect which is

asking a bit too much of the Trinidad public, as well as of international tourists who have, in addition, to bear the strain of having to make connecting flights."

The "inadequacy of the Crown Point Airport in the 80's," said the Chamber, "was one of the greatest constraints to the successful development of international tourism."

"The creation of a new airport of international standards with a runway of 8,500 feet to 9,000 feet (even if that means a largely new airstrip bearing north at a new angle), to accommodate wide-bodied jets, together with all the technical and communicational facilities of an international airport, with a new and comfortable airport terminal

building, and the necessary facilities and accommodation for sterile holding bays, immigration, customs, health etc., is in our view a top priority, indeed, an enabling factor of such importance, that the whole development of the tourist industry in Tobago hinges and depends to a large degree on its realisation," said the Chamber. "This matter should therefore receive top priority."

On the question of sea links to Tobago, the Chamber conceded that the Port Authority's new ships (recent mishaps notwithstanding), have eased the transportation problem between the two islands. But Tobago it said, has no deep water harbour which can receive about one-third of their visitors.

Call for Duty-Free Status

Port-of-Spain TRINIDAD GUARDIAN in English 16 Jun 83 p 22

[Text]

SCARBOROUGH:

"TOBAGO should at least be able to offer duty-free shopping on the basis of the 'in bond' system, just as Trinidad does." This is a recommendation of the Trinidad and Tobago Chamber of Industry and Commerce in a paper it presented at a conference on tourism, the report of which was recently tabled in the Tobago House of Assembly.

The Chamber was commenting on "shopping" as an added attraction for tourists, and stressed tax free or near tax free shopping as a major tourist pursuit that could be an even larger source of tourist spending than hotel accommodation and food.

"The achievement of the token duty plan, which had been promised by the Tourist Board since 1958, and which had been expounded repeatedly over the years, would of course stimulate in time the creation of a variety of shops and a range of merchandise to meet the opportunities which this measure would create, a measure which, more than any other, had been responsible for the success of the most successful tourist islands in the Caribbean, such as the United States Virgin Islands (St Thomas), Curacao, Aruba, St. Martin, The Cayman Islands, all of which have this system in common," said the Chamber.

THE IMPLICATION

"Free port-shopping," the Chamber said, would have implications on the common external tariff and on purchase taxes. And until the legal implications are worked out "Tobago should at least be able to offer duty-free shopping on the basis of the in-bond system (despite its complications and limitations) just

as Trinidad does.

"We urge, therefore, that the achievement of the token duty plan be included in the policy for the development of tourism in Tobago, and that in the interim, the 'in-bond' system be extended to Tobago," said the Chamber.

It suggested that the necessary discussions with the Comptroller of Customs and the merchants should be instituted in order to devise the necessary safeguards and techniques to facilitate and ensure delivery to passengers leaving Tobago via Trinidad, on international flights as well as those leaving Tobago directly.

The Chamber also commented on the existing taxi service at Crown Point airport and said that some hotels reported cases of overcharging by taxi drivers.

"A more orderly control at Crown Point airport together with a large sign displaying agreed charges to various points would go a long way in eliminating such complaints," said the Chamber.

It recalled that the proposal of metering taxis had been made in the past and suggested that the pros and cons of this measure should be discussed with interested parties, especially the taxi drivers themselves.

UNIONS FLEX MUSCLES BUT MORE PLANTS CUT OPERATIONS

OWTU Slap at Texaco

Port-of-Spain TRINIDAD GUARDIAN in English 7 Jun 83 p 11

[Text]

THE Oilfields Workers Trade Union (OWTU) has criticised Government for failing to invite the union to hold discussions on the union's memorandum on the oil industry.

At the same time the union has described Texaco's demands with regard to selling 75 per cent of its Pointe-a-Pierre refinery for \$480 million (TT) as "ridiculous."

Mr. Errol McLeod, first vice president of OWTU, who made those statements yesterday has called on government to reject outright the demands with the union to discuss its proposals on the oil industry.

Mr. McLeod recalled that the OWTU submitted its memorandum since September 20, "and up to now government

has not invited us to discuss the matter."

He also referred to his May 28 letter to Mr. Errol Mahabir, Minister of Labour, Social Security and Co-operatives, on the question of new and ongoing developments in the oil industry.

Mr. McLeod said up to yesterday he had not received a response.

The union had informed the minister that the OWTU believes that no change of direction in the industry can occur without a significant input in insuring that change coming from the union.

Texaco wants \$480 million (TT) for 75 per cent equity of its Pointe-a-Pierre refinery which it wants to sell to the government, while deciding to retain 25 per cent equity.

Objections to NUPW Wage Offer

Port-of-Spain TRINIDAD GUARDIAN in English 8 Jun 83 p 5

[Text] BRIDGETOWN, Tues., (Cana)--NATIONAL UNION of Public Workers (NUPW) has urged civil servants to refuse to accept the recent increase of 2.5 per cent on their 1982 wages and salaries, as a protest against Government's legislation of pay hikes for the public sector.

NUPW General Secretary, Joseph Goddard, said: "because of the various unions and the general public's opposition to the Government legislating increases for public workers in the manner done in the past, the Government took a less direct route and legislated increases in the last budget."

"It still amounts to the gross undermining of the collective bargaining system, as obtained previously in the public sector, and as such must be condemned and treated with contempt."

"Before public workers receive increases in salaries, they are given the option of continuing to receive the old salary or to accept the revised one," NUPW said in a statement.

Mr. Goddard said he "would prefer to see public workers, as a matter of principle, and as a distinct act of protest, refuse the meagre increase, and support the struggle due to come less than a year from now for a just increase in wages and salaries."

According to Mr Goddard, there are a number of reasons why the increase should be rejected:

(I) it is not a just and reasonable increase, in respect of a period when the cost of living has risen by nine per cent;

(II) the collective bargaining machinery was ignored completely by the government;

(III) the 2.5 per cent increase (also

to be granted to pensioners) is on the March, 1982, salary, wages or pension, as the case may be, and is a negative departure from the normal practice. The \$108 increase granted in April, 1982 (and the corresponding increase in pensions) will be deducted from the 2.5 per cent increase;

(IV) in addition to the \$108 which will be discounted, a one per cent health levy is already being deducted from the wages and salaries of public workers;

Mr Goddard said some public workers must stop being indifferent to fighting the problems confronting them in the work place, and discard any seemingly hopeless attitude they may have.

"The public service is indispensable to the proper administration of the nation. If public workers regard themselves and their jobs as important, then with unity, determination and proper leadership, we can surmount all the attacks and erosion of workers and trade union rights which are taking place," the union said.

Port Protest Action

Port-of-Spain TRINIDAD GUARDIAN in English 8 Jun 83 p 1

[Text]

TWENTY ships and 5,000 longshoremen remained idle on the port yesterday because 200 transport workers boycotted the job.

The transport men protesting against the abolition of standby labour on the waterfront stayed away from their jobs for four days last week, bringing cargo handling to a halt. The men, represented by the Seamen and Waterfront Workers Trade Union reported for work on Monday.

A Port Authority spokesman said the transport workers who operate the forklifts did not report for work yesterday morning.

The work stoppage on the docks and abolition of standby labour on automated unloading grain vessels were discussed at talks at the Ministry of Labour.

The teams, led by Minister of Labour, Mr. Errol Mahabir, Port Chairman, Mr. Eustace Bernard and SWWTU's general secretary, Mr. Francis Mungroo, met from 2.30 p.m., at the Ministry's Riverside Plaza and were still locked in talks up to 6 p.m.

The port spokesman said the sheds were open but, without forklifts, goods could not be taken in or out. He said vital raw materials for the assembly and light manufacturing industries have been tied up in the sheds for nearly ten days.

Most of the sheds have been filled to capacity because priority is given to discharging cargo from the vessels.

'SQUEEZE' LIKELY

The spokesman believed that from the pattern set by the workers last week, the stevedores would embark on a one-day-on and one-day-off schedule until the standby labour dispute is settled.

He said that if the situation continued, housewives would start feeling the squeeze on the grocery shelves in the next two weeks.

By 10 a.m. yesterday the docks were clear of workers except for the shed managers. The authority anticipates that the transport men will return to their jobs this morning.

Yesterday scores of trucks

turned up at dawn on Dock Road for goods but were unable to be loaded because of the dispute.

Ten ships were berthed while a similar number have been at anchor in the Gulf awaiting berthing space.

The berthing office said 21 more cargo ships are expected during the next 14 days.

The Hardware Dealers Co-operative Society Ltd., said it had one million square feet of lumber, from the United States 16,000 sheets of plyboard from South Korea and 800,000 hollow clay blocks from Venezuela tied up for the past ten days on the port.

Mr. Ashton Sant, public relations officer, said whatever savings made

in bulk purchases for its members may be erased by the row on the port.

Truckers too, said they were losing business by the shutdown.

President of the Businessmen's Association, Mr. Bolan Amar, said the group was supporting the stand taken by the port to remove standby labour which can save the authority up to \$10 million this year.

He said the cost of overtime is added on the goods which the consumer pays.

Mr. Amar said it was time that all overtime, be it on the port or any organisation, stopped and the money used to provide full time jobs for the unemployed.

Texaco Employment Reassurances

Port-of-Spain TRINIDAD GUARDIAN in English 13 Jun 83 p 7

[Text]

TEXACO Trinidad Inc. has made it clear that it has no plans to retrench any more workers.

The company made the statement when asked to comment on a report that it was contemplating retrenching more workers in addition to those being sent home on retrenchment through the negotiated agreement with the Oilfields Workers' Trade Union.

Textrin intends to retire about 800 workers within three months through the agreement (60 to 65 years) on a phased basis and another 300 within nine months from August, it was learnt.

Meanwhile the company will keep sending out cheques to those workers earmarked for retirement.

Fedchem Cutback

Port-of-Spain TRINIDAD GUARDIAN in English 14 Jun 83 p 1

[Article by Mikey Mahabir]

[Text]

FEDERATION Chemicals Ltd. is shutting down three of its fertiliser plants and retrenching 55 workers in ten weeks' time.

FCL, a wholly-owned subsidiary of W.R. Grace, a U.S. multinational, said it is closing down the sulphuric acid, ammonium sulphate and urea plants on August 31, 1983.

The company, with its industrial plant at Point Lisas, informed the Oilfields Workers' Trade Union, agent for the 450 hourly and weekly rated workers, that three plants will be closing and 55 workers will be sent home.

In its letter to the OWTU, personnel manager G. Chee-A-Kwai said, "In compliance with article 3 clause 4 'B' of the collective agreement, we hereby give notice of the shutdown for economic reasons of our sulphuric acid, ammonium sulphate and urea plants.

The shutdown, which will become effective August 31, 1983, will result in the retrenchment of

about 55 hourly paid workers who are represented by your union.

"As you may be aware the company has been operating the sulphuric acid and ammonium sulphate plants at less than 50 per cent capacity for the better part of the past two years due to loss of traditional market to competitors and to reduced sugar cane production.

"The company can no longer sustain the heavy losses which have been realised," the letter said.

Production of fertilisers rose from 346,021 tonnes in 1975 to a peak of 687,032 tonnes in 1980 when FCL exported 613,659 tonnes.

Local sales tied up with sugar production peaked at 87,468 tonnes in 1978, the same year State-owned Caroni Ltd. produced its second highest tonnage of sugar — 176,000 tonnes.

Fertiliser production dipped to 555,403 tonnes in 1981 with 494,163 tonnes exported and local sales accounting to 47,126 tonnes — about half of 1978 total.

Mr Errol McCleod, vice president of the OWTU, said there was no need for retrenchment.

"We see absolutely no need for the proposed retrenchment of these people who are targeted because recently the "Minister of Energy was reported in the media to have said that Trinidad enjoys a very stable position on the fertilisers market."

The union officer said they believed that Fedchem's attempt was as a result of "artificial reasons."

Mr. McCleod said that he himself spoke to the Minister of Labour, Social Security and Co-operatives, Mr. Errol Mahabir, last Tuesday on the matter. The minister said that he had not up to that time received a letter from the company on the issue, but he promised to look into the matter.

Mr. McCleod said that he requested a meeting with the company for yesterday but Fedchem said they would meet today instead to discuss the matter. After the meeting Mr. McCleod plans to officially call in the Minister of Labour.

He hit out at the multinational stating that their intentions was nothing more than political "and we see their aim as one of destabilising the country."

Fedchem officials were up to yesterday (Monday afternoon) unavailable for comment. It is understood that Mr. Fred Hilderbrandt, president, is out of the country and the other top officers were at a top level meeting.

HEAD OF COMMUNICATIONS UNION FAILS IN REELECTION BID

Port-of-Spain TRINIDAD GUARDIAN in English 10 Jun 83 p 3

[Text]

"DEMOCRACY has been exercised", said Lyle Townsend yesterday as he responded to the not yet official word that he had been deposed as Secretary General of the Communications Workers Union.

According to the unofficial results of the recent elections held by the union, Mr. Ian Clarke defeated Mr. Townsend for the post.

A subdued sounding Mr. Townsend told the "Guardian" that as soon as it was decided he would be returning to his job at the Telephone Company for which he was given leave of absence.

He said also that Mr. Wayne Edwards has been voted into the position of President at the union elections which were held on Tuesday at branches throughout the country. He said he believed that some of the other officers may have retained their positions.

Mr. Clarke and Mr. Edwards, both also employees of the Telephone Company, recently came together to form a body called the Committee for Union Restoration and Development (CURD) compris-

ing officers and members of various branches of the union opposed to what they called the "Townsend Faction."

The committee stated that they were "totally convinced that the union is continuously sliding into the depths of chaos and disrepute."

"The feeling of fear, defencelessness and general insecurity has gripped the majority of workers represented by the CWU" said the committee.

CURD also called on members to "unite against political manipulation, erratic and bankrupt leadership and stark administrative ignorance, and ensure the immediate restoration and development of our union."

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